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Tell the People: 'Paul Revere Special' carries rail story across New England . . . . . p. 26

December 11, 1961

RAILWAY AGE WEEKLY

Two Days With ASME

p. 22

SP Fuels Diesels In New Plant

p. 15

GTW Nears Finish On Big Shop Program

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C&O Adds New Life To Lining In Tunnel

p. 18

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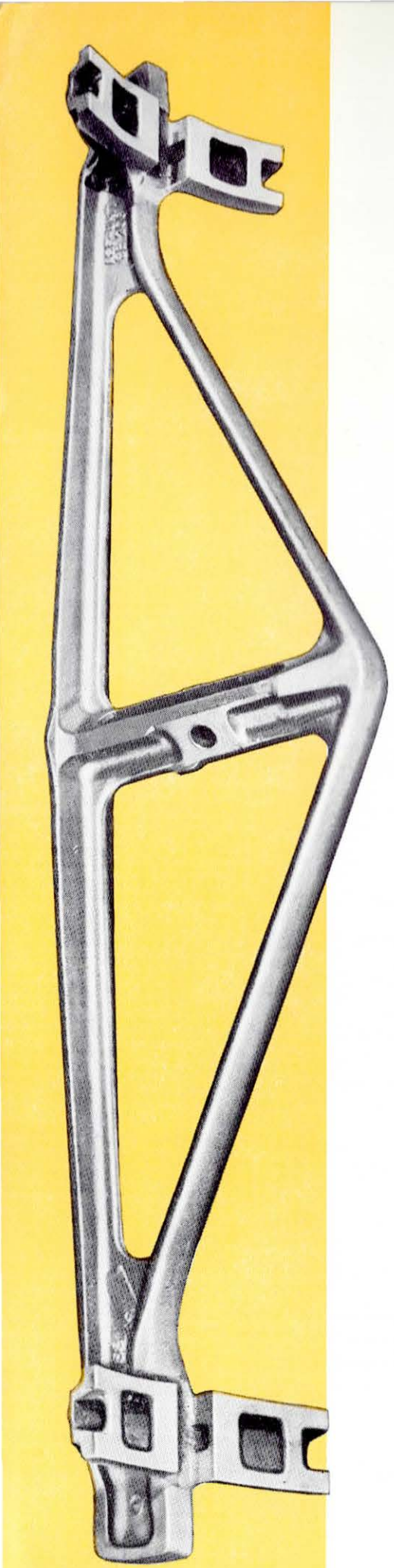

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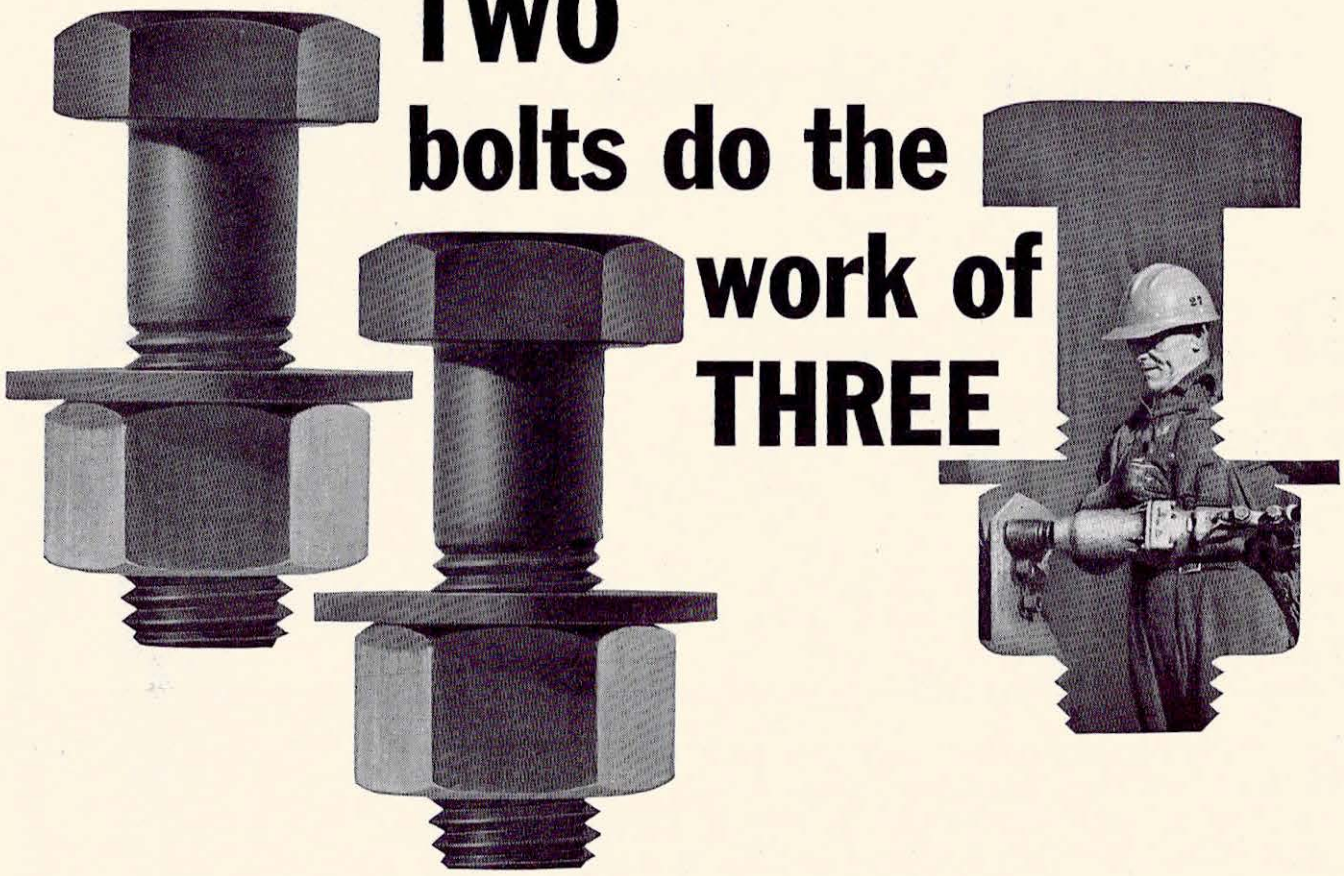

new high-strength bolt saves one-third

It's no longer necessary to use one bolt to do the job of one rivet, as required by previous specifications for high-strength bolts. Recent changes, which now allow bearing-type connections, let the designer take advantage of the difference in strength between high-strength bolts and rivets. This permits the use of two new-type high-strength bolts where three old-style bolts were formerly required. The new bolt is also ideally suited for all types of friction connections.

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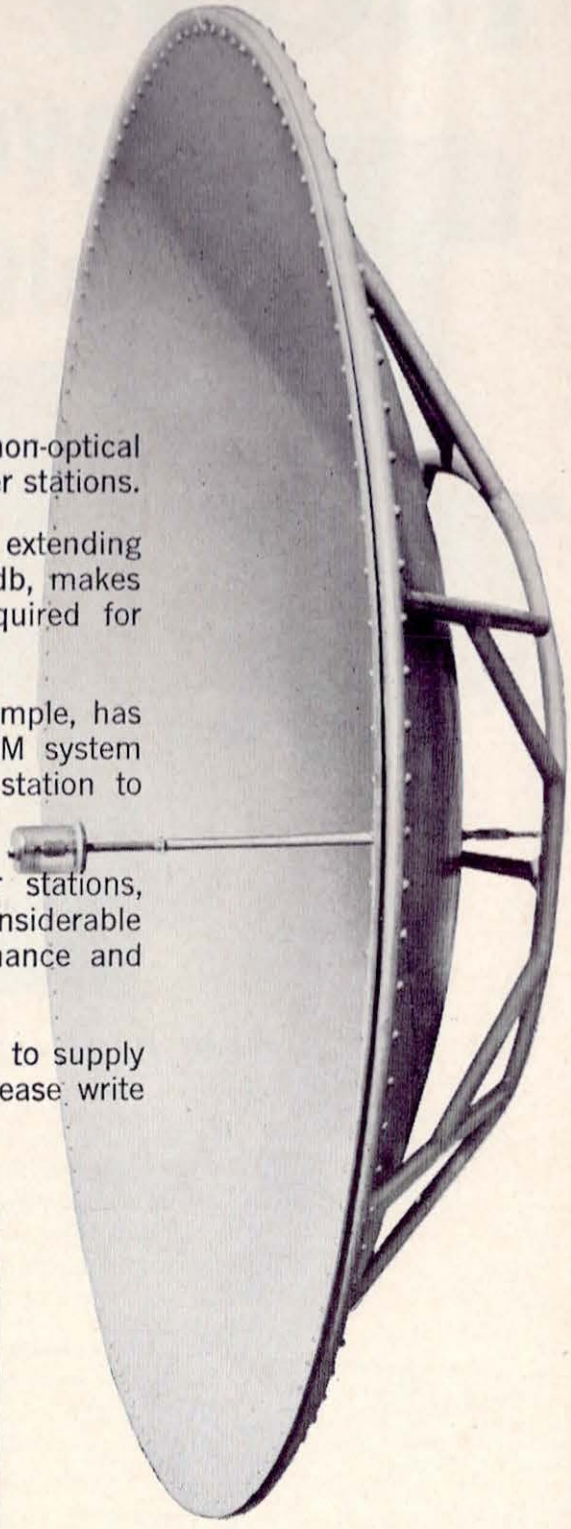

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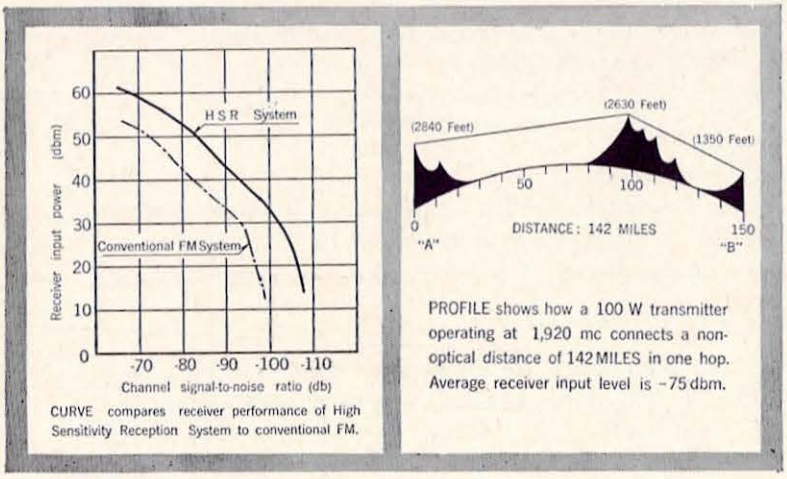

CURVE compares receiver performance of High Sensitivity Reception System to conventional FM.

PROFILE shows how a 100 W transmitter operating at 1,920 mc connects a non-optical distance of 142 MILES in one hop. Average receiver input level is −75 dbm.

NEC *Nippon Electric Company Ltd.*
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Electronics/Communications Systems

RAILWAY AGE

WEEK AT A GLANCE

Dec. 11, 1961 • Vol. 151, No. 24

Rutland files for abandonment

Plagued by labor and economic troubles, the road has asked the ICC for permission to abandon its entire 331-mile line in Vermont and New York p.9

SP fuels diesels in new plant

"One of the largest diesel locomotive servicing installations in the country," is how the road describes its speedy Taylor Yard (Los Angeles) facility p.15

C&O adds new life to lining in tunnel

A saving of about $550,000 stemmed from the decision to apply preservative to the timber lining of a tunnel instead of putting in an entirely new lining p.18

ASME is told RR 'image' needs improving

More emphasis should be placed on telling the public what railroads are doing to help themselves, says Stuart Shumate, president of the RF&P p.22

GTW nears finish on big shop program

The $1.5-million modernization project, at Battle Creek, Mich., is almost completed. The main steam back shop is being adapted for heavy diesel repairs p.24

Tell the People—'Paul Revere Special'

Mustering public support for the railroad industry is of overwhelming importance. Here's how one phase of that vital job was undertaken in New England p.26

Bankers cite fears for RR survival

Nationalization of railroads appears to be "inevitable" if present trends continue, the IBAA was told by its Railroad Securities Committee p.28

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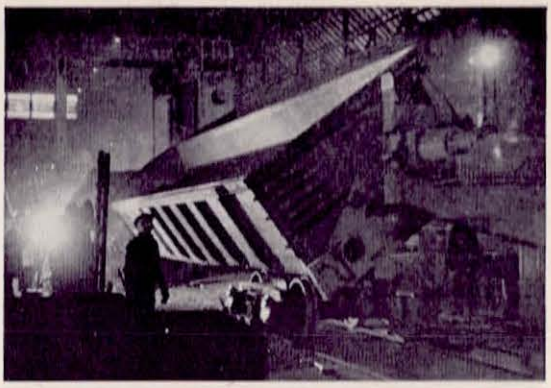

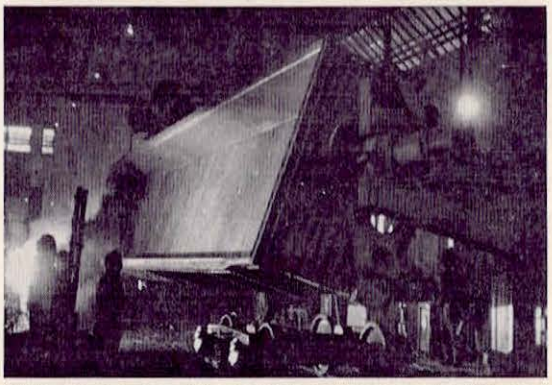

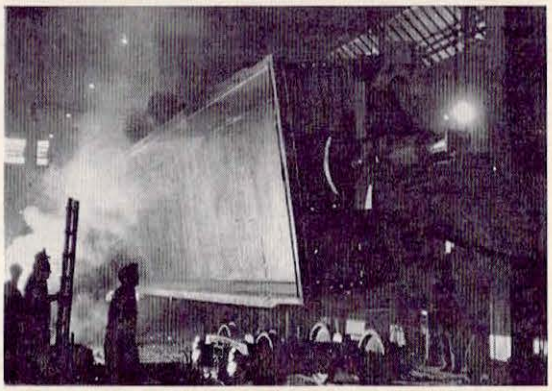

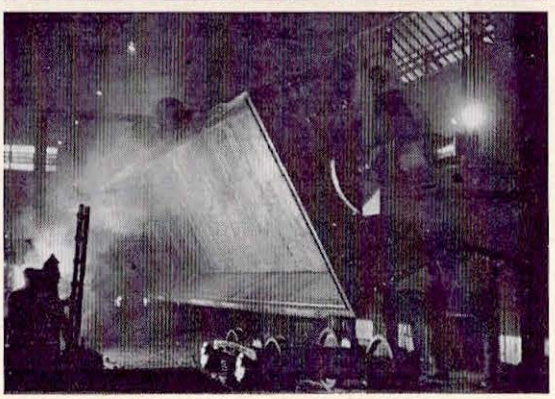

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TRADE MARK

WEEK AT A GLANCE

ICC advised to shield Seatrain

An examiner's proposed report says railroads should be required to establish joint rail-water-rail rates with Seatrain Lines which are 5% lower than all-rail rates p.29

GNP&BL hearings enter second round

Opponents to the merger got their chance to cross-examine supporting witnesses as ICC Examiner Murphy reopened the hearings in Minneapolis last week p.32

The Action Page—Concessions to unionists?

Acceding, even partly, to current demands for wage and job-guaranty concessions, would put some major railroads into bankruptcy in a very few months p.38

Short and Significant

October net income of Class I roads . . .

amounted to an estimated $73 million, compared with $55 million in October 1960. Earnings for this year's first 10 months are estimated at $255 million; the 1960 figure was $359 million.

N&W has agreed to purchase . . .

all outstanding stock of the Akron, Canton & Youngstown for $6.5 million, if the ICC approves the N&W-NKP-Wabash unification.

Revised depreciation schedules . . .

for six industries—including railroads—will be studied by the Internal Revenue Service. New schedules could become effective by next spring.

Legislation barring penalty payments . . .

to the Teamsters when truckers offer piggyback traffic to railroads will be introduced in the New York legislature in 1962. Similar bills have been passed in Texas and Illinois.

Current Statistics

Operating revenues	
10 mos., 1961	$7,616,191,506
10 mos., 1960	8,029,031,393
Operating expenses	
10 mos., 1961	6,053,005,223
10 mos., 1960	6,349,633,885
Taxes	
10 mos., 1961	831,593,086
10 mos., 1960	869,600,640
Net railway operating income	
10 mos., 1961	406,600,050
10 mos., 1960	503,376,734
Net income estimated	
10 mos., 1961	255,000,000
10 mos., 1960	359,000,000
Carloadings revenue freight	
47 wks., 1961	25,974,156
47 wks., 1960	28,040,699
Freight cars on order	
Nov. 1, 1961	10,297
Nov. 1, 1960	22,900
Freight cars delivered	
10 mos., 1961	27,046
10 mos., 1960	48,351

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Rutland Files For Abandonment

► **The Story at a Glance: The strike-bound Rutland has applied to the ICC for authority to abandon its entire line of 331.7 miles in Vermont and New York. The abandonment proposal came after the strike of train-service employees had kept the road tied up for more than 10 weeks—since Sept. 25.**

Deficit operations with no prospect for improvement prompted the Rutland to apply to the ICC for authority to abandon its entire line.

The application reveals that the Rutland board of directors authorized its filing at an Oct. 23 meeting in New York. The actual filing with the Commission, however, came after management's Dec. 1 rejection of Secretary of Labor Goldberg's proposal that issues of the labor dispute be submitted to arbitration.

(Vermont Governor F. Ray Keyser, Jr., told Railway Age the New York firm of Coverdale & Colpitts has been retained "to make a four to six week study of the Rutland Railway to determine its value or future operation. This survey will provide data to protect the state's interest before the ICC and it will also help determine cash value if state negotiations to sell the line prove successful.")

No reference to the strike is found in the application, but there are a couple of references to it in the "return to questionnaire" which the Commission requires as a supplement to abandonment applications. One such reference is in the return's "summary of reasons for the application." The summary says: "Applicant's service for some time has been conducted at a loss. It has been plagued with recurrent labor troubles and a steadily decreasing flow of traffic, increasing costs of operation, and decreasing revenues. There is no reasonable prospect that the carrier can operate a profitable, or even a break-even, business in the foreseeable future. Consequently, applicant believes and alleges that the present and future public convenience and necessity would permit such abandonment."

Figures in the return-to-questionnaire show net railway operating deficits of $369,525 for 1960 and of $81,245 for this year's first nine months. It is also stated that maintenance has been subnormal, that at least two bridges need to be replaced, and that safety of train operations has been maintained by reductions of speeds. Salvage value of the property is estimated at $5,765,912.

There has been no freight-train service since the "ops" walked out on Sept. 25. Passenger service was discontinued in 1953.

As to the availability of other transport services, the return says the lines proposed to be abandoned are paralleled by all-weather, hard-surfaced highways over which several common-carrier truckers operate. It is also stated that no industrial plant on Rutland lines has ceased operation since the strike began. Responding to that part of the questionnaire form which calls for a report on efforts to sell the road as a going business, the Rutland has this to say:

"No effort has been made to dispose of the line as a whole so as to insure its continued operation for the reasons, among others, that, in applicant's opinion, such continued operation is not economically feasible, and that other existing transportation facilities are adequate and sufficient for the needs of the territory involved."

Some of Rutland's predecessor companies were organized more than 100 years ago. Its lines extended from Ogdensburg, N.Y., on the St. Lawrence River, eastern to Rouses Point, thence southerly into Vermont to Rutland from which branches run to Bennington and Bellows Falls.

All of these lines would be abandoned except a 36.7-mile segment between Norwood, N.Y., and Malone Junction, over which the New York Central has trackage rights. However, authority to abandon Rutland operations over this segment is sought, as well as authority to abandon Rutland operations under trackage rights over 59.8 miles of Boston & Maine, Troy Union and NYC lines between White Creek, N.Y., and Chatham.

The strike resulted from a management proposal to depart from the national wage pattern and change some operating practices in the interest of more efficient operations. Secretary Goldberg's abritration proposal contemplated that the strikers would return to work with the pre-strike wages and operating practices, pending the decision of the arbitration board. This was the proposal rejected by Rutland's management. It was accepted by unions representing the strikers.

With its application, the Rutland became the second Class I railroad up for abandonment in 1961. First was the Lehigh & New England, which in September received permission to abandon all but 40 miles of its approximately 177 miles of route. On the L&NE, however, a major difference from the Rutland case existed: another railroad, the Jersey Central, was ready to buy (and did buy) the portion of the line that produced 95% of the L&NE's originating and terminating tonnage for operation by the JCL (RA, Oct. 2, p. 26).

What's Involved

The Rutland operates 213 miles of line in Vermont and 118 miles (plus 60 miles of trackage rights) in New York. Other vital statistics of the railroad, as of Dec. 31, 1960:

Employees	414
Locomotives (purchased 1950-1954)	15
Freight-train cars (63 purchased 1950-1954; 340 purchased 1955-1959; 15 purchased 1960)	418
Payroll	$2,484,478
Operating ratio	100.78%
Operating revenues 1960	$3,614,000
Operating expenses 1960	$3,642,000
Net from railway operations 1960	Def. $28,000
Net railway operating income 1960	Def. $370,000

Big SP Abandonment Approved

► **The Story at a Glance: The Interstate Commerce Commission announced Nov. 30 its approval of an application by Southern Pacific to abandon 233 miles of track in Arizona and New Mexico. The trackage, on SP's "South Line" between El Paso and Tucson, is part of the former El Paso & Southwestern System, acquired by the SP in 1924.**

Abandonment of approximately 233 miles of track on one of Southern Pacific's two routes between El Paso and Tucson would produce savings of more than $600,000 a year, SP argued in seeking Commission approval of the abandonment. ICC, in approving the abandonment, said that savings would be under $400,000, if interest on net salvage and income tax write-off benefits were disallowed as savings. But the Commission agreed that the track in question could not be operated at a profit to SP and so qualified for abandonment.

The trackage to be abandoned was acquired by SP when it bought the El Paso & Southwestern System in 1924 and later merged it into its own system. Other portions of the EP&S have been abandoned, as have other SP branch lines in the area. However, the ICC found no tendency on the part of SP to acquire lines for the purpose of abandonment in order to "avoid or to exterminate competition" (nearly 40 years elapsed between the two actions in this case).

The line segments to be abandoned are: 209 miles between Douglas, Ariz. and Anapra, N.M. (5 miles west of El Paso), and 24 miles between Benson Junction and Mescal (40 miles east of Tucson). These segments form portions

WATCHING WASHINGTON WITH WALTER TAFT

● **LEADERSHIP OF THE ICC** for 1962 will be the assignment of Commissioners Murphy and Walrath. Under the Commission's plan of rotating its chairmanship annually, Commissioner Murphy, the vice chairman, will move up to the top spot. This was contemplated when the vice chairmanship was created last March. He will succeed Chairman Hutchinson who will remain a member of the Commission.

COMMISSIONER WALRATH will become vice chairman, being the commissioner with the greatest seniority among members who have not yet held the chairmanship. He will thus be in line for the 1963 chairmanship, since his present term as commissioner will not expire until the end of that year. Only one commissioner's term expires at the end of this year—that of Commissioner Tuggle.

● **RATE INCREASES** averaging 26.5% would be required to put commodities in the Products-of-Mines group on a fully-distributed-cost basis. On the same basis, rates in the Manufactures-and-Miscellaneous group would be cut 20.7%.

FORWARDER TRAFFIC would be the only other carload commodity group to qualify for a rate cut (which would be 10.7%) if the fully-distributed-cost test were applied generally. Increases, in addition to that on Products of Mines, would be 5.3% on Products of Agriculture, 4.2% on Animals and Products, and 9.9% on Products of Forests.

THAT'S THE SHOWING of the latest burden-distribution study by the ICC's Bureau of Accounts. Basic data came from 1959 reports submitted by railroads in response to the Commission's outstanding order calling for a 1% carload-waybill sample.

THE FULLY-DISTRIBUTED COST BASIS for rate-making is not advocated by the bureau. Like its predecessors, the present study emphasizes that its showings should not be interpreted as justification for that approach.

THE BUREAU EXPLAINS that economically-sound rate-making contemplates rates which permit all commodities to move "with the most reasonable freedom," and which yield revenues contributing "as much as possible" to overhead. Thus, the ratios of revenues to out-of-pocket costs "have a rate-making significance which is not possessed by the ratios of revenues to fully-distributed costs."

THESE RATIOS of revenues to out-of-pocket costs ranged from 159 for the Manufactures-and-Miscellaneous group to 109 for the Animals-and-Products group, so each of the commodity groups accounted for 1959 revenues exceeding its out-of-pocket costs. Overall ratios of revenues to out-of-pocket costs and to fully-distributed costs were 135 and 102, respectively.

● **ANOTHER STUDY,** by the Commission's Bureau of Transport Economics and Statistics, emphasizes how the burden of railroad rates remains relatively less than it was in pre-war years. The showing here is that gross freight revenues of the 1946-59 period ranged from 5.46% to 5.77% of the destination value of commodities transported. The range for the 1928-41 period was from 6.67% to 10.66%.

BY COMMODITY GROUPS, the latest figures (1959) show a range from 2.74% for LCL freight to 28.13% for Products of Mines. Percentages of the other groups were: Products of Agriculture, 8.2%, Animals and Products, 3.96%, Products of Forests, 14.21%, Manufactures and Miscellaneous, 3.94%.

by ICC

of the south line between Tucson and El Paso via Douglas, as distinguished from the north line between the same points via Lordsburg. Douglas will still have direct service west and will have service east via a 79-mile westbound movement to Benson. The north line is 29 miles shorter, with fewer curves and less miles of ascending grades though somewhat steeper grades. Thus, the north line is the most efficient.

At present, passenger service is being provided over the south line by eastbound train No. 2, the Sunset Limited, and westbound train No. 3, the Golden State Limited, operated in conjunction with the Rock Island from Chicago. Both of the trains will be re-routed over the north line and five cities will no longer have common carrier passenger service. At Douglas and Bisbee, the two major cities on the south line, passengers can purchase rail tickets which will be honored on a bus line to Benson for connection with the north line trains.

During the first five months of 1959, only 53 passengers were transported locally on the south line, producing revenues of $156. During the same period 4,502 passengers were transported between points on the south line and points beyond, producing revenues of $20,869. Only one half of one per cent of the through freight between El Paso and Tucson was handled on the south line during 1959. There has been no local freight handled on the Douglas-Anapra segment since 1958. Local freight service is now provided between Douglas and Tucson by a tri-weekly train. After abandonment, this service will continue by means of the Douglas-Benson Junction-Benson line. The SP gave assurance that freight rates and charges to Douglas, Bisbee, and other points in that general area, will not be affected because of any greater distances the shipments may travel following abandonment of the south line, and that such points will not be considered as branch line stations at which arbitraries over mainline points are assessed.

The principal industry and by far the largest shipper using rail service at Douglas is a copper smelter, which will continue to be served. Volcanic ash and cinders are shipped by one company from Malpais to El Paso and by another from Bernardino to Tucson, both using the south line. The shipper at Malpais will resort to truck transportation and the one at Bernardino will truck 22 miles to Douglas for rail service to Tucson.

WORKMEN CODE sacks and send them moving on belt.

DIVERTERS, actuated automatically, sort sacks into 34 groups.

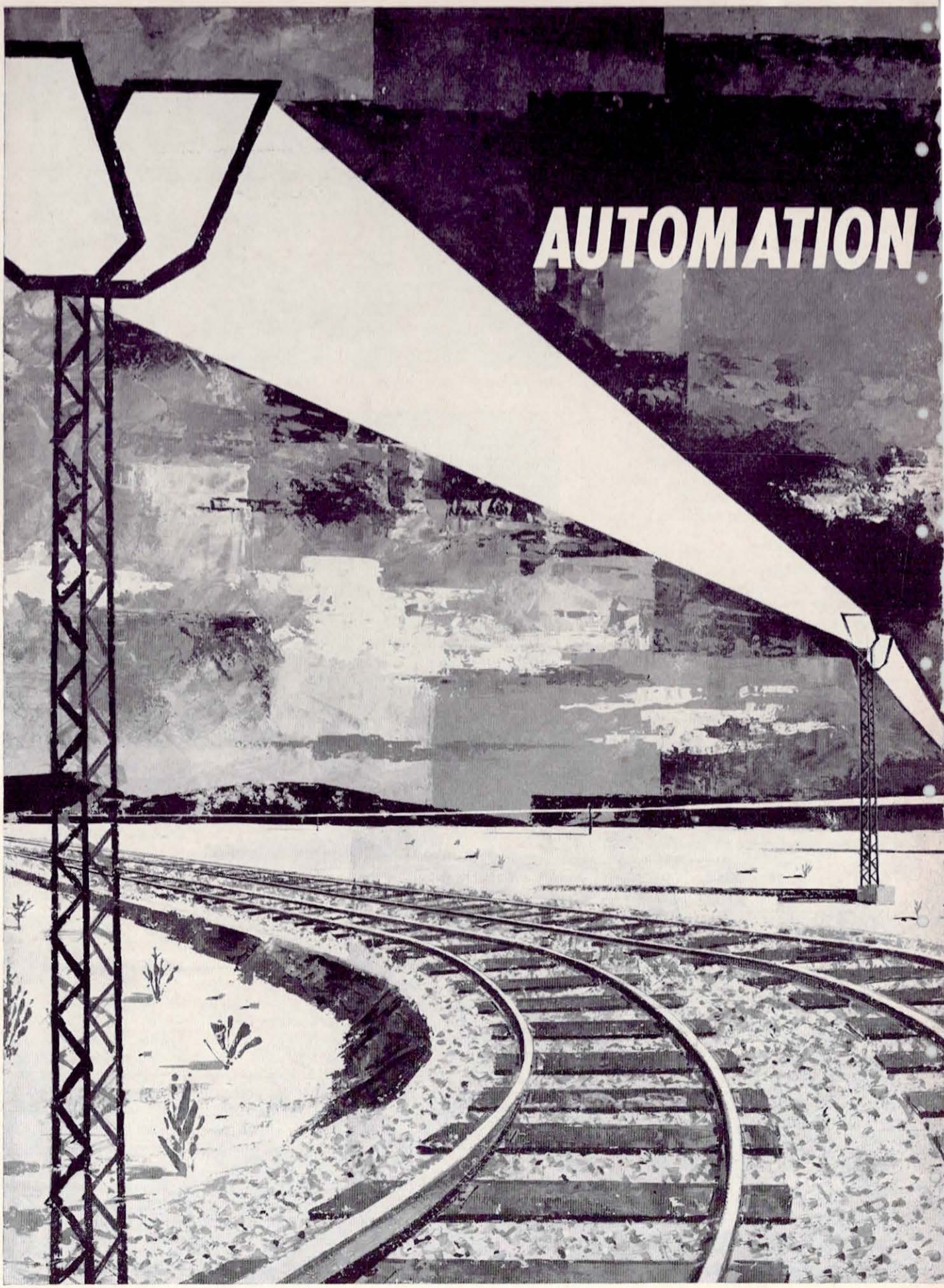
TRRA Opens Mail Sorter

The first portion of a new $2-million automated system for faster handling of mail went into service in the St. Louis Union Station last week. G. W. Maxwell, president of the Terminal Railroad Association of St. Louis, who, along with St. Louis Postmaster Claude Bakewell formally opened the new system, called the new mechanized mail-handling unit "a progressive milestone in the delivery of mail." The advantages of the first unit will be felt immediately during the Christmas mail rush, Mr. Maxwell pointed out.

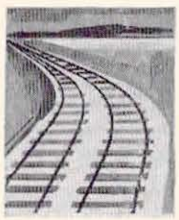
St. Louis Union Station is one of the busiest mail hubs in the United States. It serves 16 different railroads.

The mechanized mail-sack-handling system was designed and installed by Aerojet-General Corp. (RA, May 8, p. 31). The initial unit, the first of three in the eventual system, makes use of a magnetic drum memory unit as its "brain." Incoming mail sacks are coded by workmen, then sent moving on belts from which diverters actuated by the "brain" accomplish the sorting.

The first phase automatically sorts the sacks into 34 separations at the rate of approximatley 2,400 per hour. This phase has been designed primarily to handle first-class mail in pouches, but until the complete system is installed it is being utilized for sorting parcel post in sacks. The second unit, a sorter for sack-loaded parcels, and the third, for packages too large for sacking, will be installed by November 1962.


AUTOMATION

THROUGH COMMUNICATIONS



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It's no secret in railroad circles that Lenkurt Electric traditionally exercises rigid engineering disciplines in the design of microwave and carrier equipment—and imposes unusually high *system* reliability standards on all Lenkurt-engineered microwave systems.

For instance, the self-imposed reliability standard of Lenkurt microwave is 99.99% per hop, because experience has proven that lower standards will cost you more in the long run.

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Where life expectancy and reliability are measured in decades—as Lenkurt equipment and systems are – you obtain the greatest returns on your original investment.

As a leading specialist in microwave and carrier, Lenkurt Electric is ready now to bring you *total* communications in one package—and handle as little or as much of the installation as you wish.

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Specialists in VIDEO, VOICE and DATA TRANSMISSION

What Are Big RR Questions?

Discount for Annual Tickets?

To the Question and Answer Editor:

With reference to the summary of shippers' views on passenger aid [RA, Oct. 30, p. 13]:

As a member of the New England Traffic Club, and also as a layman, I am one of those who feel good passenger service has to be maintained on major long-distance routes and also in commuter areas—not only because of practical necessity but because retrogression in this field would be uncivilized.

One suggestion I have made to some of my friends in the railroad industry, and which is worth repeating, is an idea taken from Europe.

The Swiss railroads offer for sale at 100 francs (about $25) a ticket good for one year which entitles the holder at any time to buy any service—transportation, meals or other accommodations—at half price. I think such an idea, adapted to American services, could be used to advantage by American railroads. The annual ticket could be offered on a nationwide basis, with all passenger railroads subscribing. Revenue could be divided among the carriers on some fair basis.

The holder of such a ticket, having made his investment, would have a strong incentive to use railroad services whenever he was calculating the relative merits of different means of transportation.

The ticket could be priced at something like $20 or $25, and could perhaps serve also as a transportation credit card. In any case, when you consider how easily the American public has been sold on the idea of paying for membership in credit card groups, theater groups and the like, it should not be too difficult to sell them on this idea as well.—*E. J. Schneider, Marblehead, Mass.*

Plastic Journal Box Lids?

To the Question and Answer Editor:

Why not replace friction bearing metal journal lids with plastic lids so that a hotbox can be detected as soon as the dope in the box ignites. This lid to be of plastic material that will keep foreign materials out of the journal box but will burn off as soon as the oil and dope ignites account of being overheated. The train and engine crew will have a better opportunity to detect the hotbox. Most derailments caused by hotboxes are because the crew does not detect the hotbox in time to stop the train and take the necessary action before a journal failure.

Further improvements of a plastic lid could be made by having a short fusee placed inside the plastic lid with plastic tip extending from inside the lid at the fusee cap so that the first flame will ignite the tip and immediately burn in the lid igniting the fusee which will drop into the box as the lid burns off. The red flare burning for approximately five minutes should be an improvement and ample warning. The plastic lid should also be less expensive than the metal lid.—*J. C. Black, division superintendent, C&NW.*

A forum for railroaders who want to explore questions of importance to their industry, this department welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion. Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N.Y.

Piggyback for Private Autos?

To the Question and Answer Editor:

In regard to E. P. Anderson's letter on Autotrain [RA, Nov. 13, p. 27] his question No. 1—How well does the Autotrain's limited availability of service meet his need for transportation at his own convenience, a need now fully met by his own automobile?

At the increased cost of gas, oil, insurance and other miscellaneous expenses incurred in traveling by highway today, it would be quite a luxury to relax en route and know that you will have your own transportation at destination.

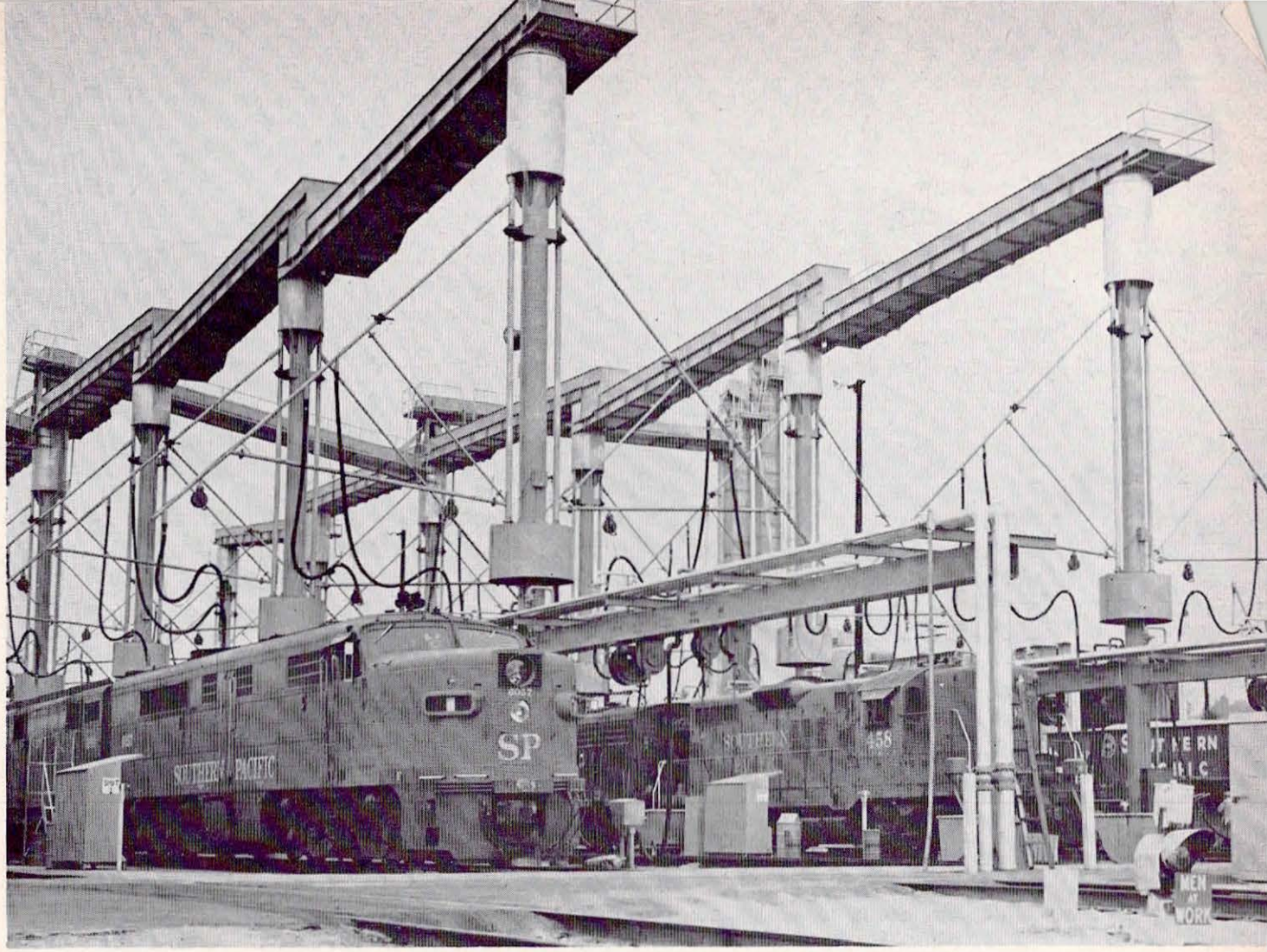
His question No. 2—Am I willing to stay in my car for as long as six or seven hours, unable to leave except when the train is stopped for division point crew changes?

Why stay still in your automobile when the automobiles can be placed on the train's automobile rack cars and the individual owners of the automobiles will have the entire train at their disposal?

Question No. 3—How will the ride qualities of Autotrain compare with our own automobile?

First, the driver can relax and enjoy the scenery along with the rest of the family, or occupants of the automobile. Second, he will automatically escape all chance of breakdown, or various mishaps that occur on the highways. This goes along with question 4, comparing the elapsed travel time on the Autotrain with the time by freeway. It is true in some instances the freeway may expedite your trip, providing there is not too much congestion at certain points as well as the weather and numerous other obstacles that can work against the traveler when driving his own car.

His question 5—How safe are those wheel brakes and will the railroad promptly take care of any damages? I believe his question is automatically answered in regard to how many cars have been moved to date by rail, with an exceptionally small percentage of damages, other than vandalism created by the competition. Of course, all damage that has occurred to date has definitely been settled by the railroads, quite often out of their own pockets if not covered by insurance.—*William D. James, traffic manager, Potosi Tie & Lumber Company.*



SP Fuels Diesels In Big, New Plant

What the Southern Pacific calls "one of the largest diesel locomotive servicing installations in the nation" has gone into operation at the road's Taylor Yard in Los Angeles.

In keeping with its appearance, the facility has been nicknamed "Cape Canaveral," or "The Launching Pad." Its 13 five-story-high, orange-painted sanding towers give the facility its space-age look.

Conceived, designed, and built by the SP, the project is another phase in an overall program of developing line production techniques for cleaning, fueling and sanding locomotives. The SP has also been using line production methods for inspecting and maintaining its diesel locomotives. Its first such facility—one of the first in the nation — was opened at Ogden, Utah, in February 1959 (RA, Nov. 21, 1960, p. 20).

Another "spot repair" shop has since been placed in operation at Sacramento, Calif. These facilities consolidate work previously done at widely scattered shops.

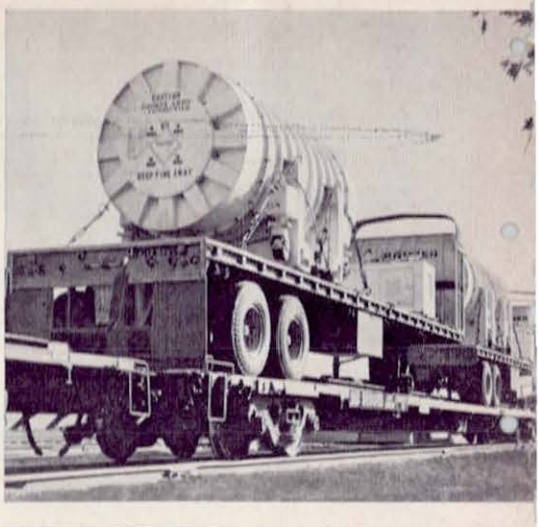
According to James K. Edwards, master mechanic on SP's Los Angeles Division, the Taylor Yard servicing facility is geared to handle 200 diesel units in an average 24-hr period. It has the capacity to handle twice that number.

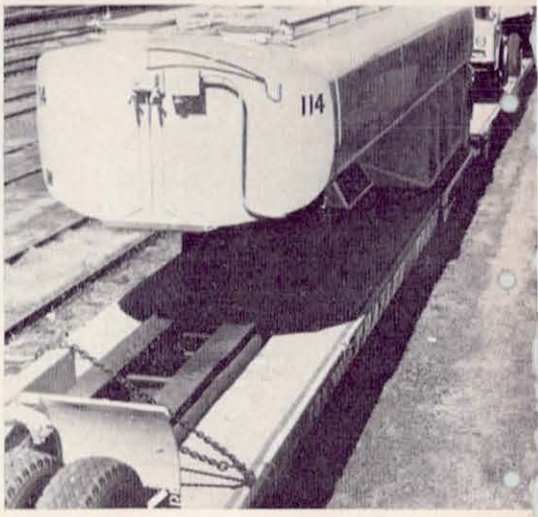
The facility has 4½ miles of approach track with five 350-ft-long one-spot servicing pits. Each locomotive coming in for servicing passes over a wash rack where it is cleaned in a three-cycle operation. The approaching diesel first trips a preliminary rinse switch, then another which applies a special detergent solution, and, finally, one which triggers a rinse through 800-psi spray nozzles.

Under normal traffic conditions, approximately 80,000 gallons of diesel fuel daily fill the tanks of the 200 units serviced. Sand consumption during a week runs about 120 tons, although this figure varies with weather conditions. Three types of water from overhead hose reels fill varied locomotive requirements: raw water for general uses, soft water for steam-heat generators on passenger locomotives, and treated water for diesel engine cooling systems.

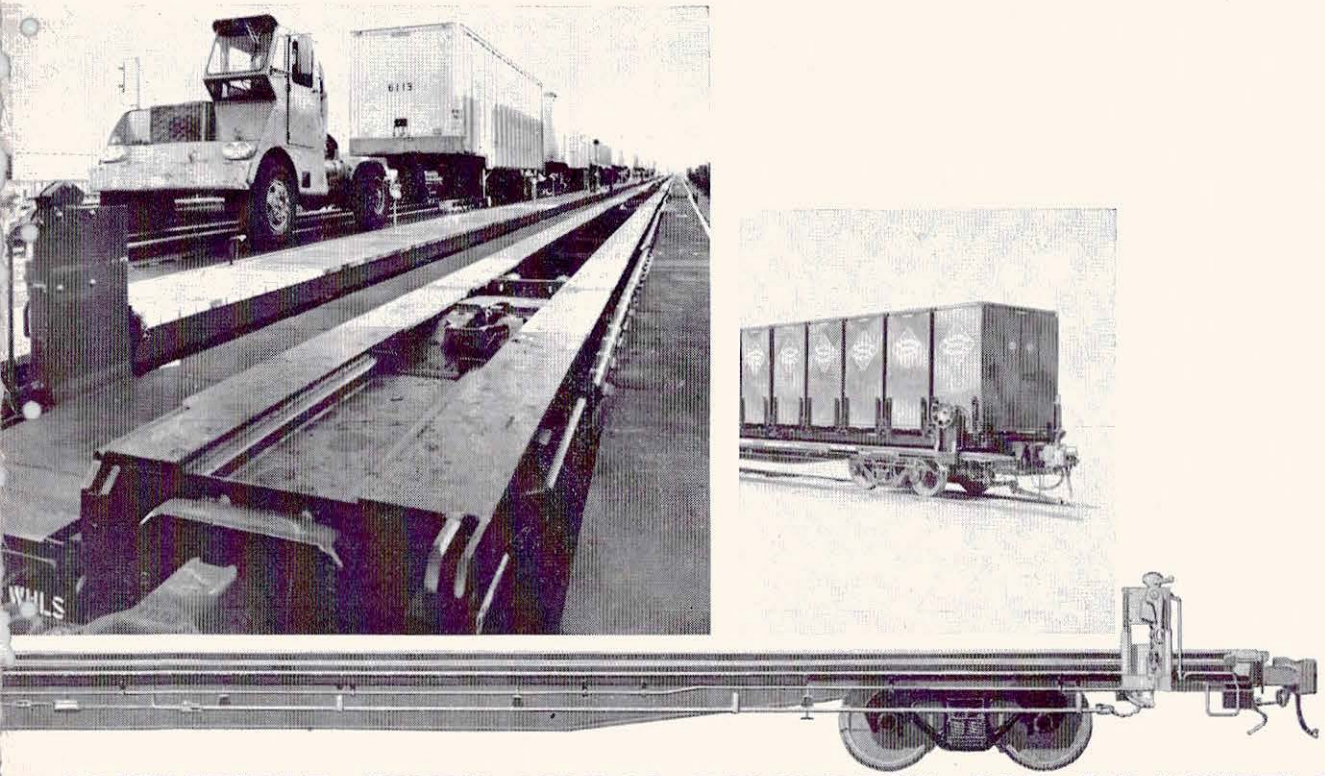
The servicing tracks handle six-unit locomotive consists without extra switching. Another time-saver is an intercom system with high-level paging speakers and low-level, talk-back speakers which enable foremen to communicate with all personnel. A complete fire control system is provided.

The size of the project is indicated by the fact that more than 10 miles of pipe and conduit and 3,300 tons of structural steel are used in the superstructure; and the foundation has 5,000 cu yd of concrete.





THIS IS THE G-85; THE MOST USEFUL, VERSATILE,



COMPATIBLE, WORK-SAVING PIGGYBACK CAR ON WHEELS.

How is it better than other piggyback cars? Its guide rails are at the center, not at the side. This permits wider loads. The tractor driver can load or unload the G-85 himself . . . alone from inside the cab. No other piggyback car with 33" wheels offers as much clearance. No other piggyback car can be adapted to a greater number of uses than the G-85. Chicago, FInancial 6-4100.

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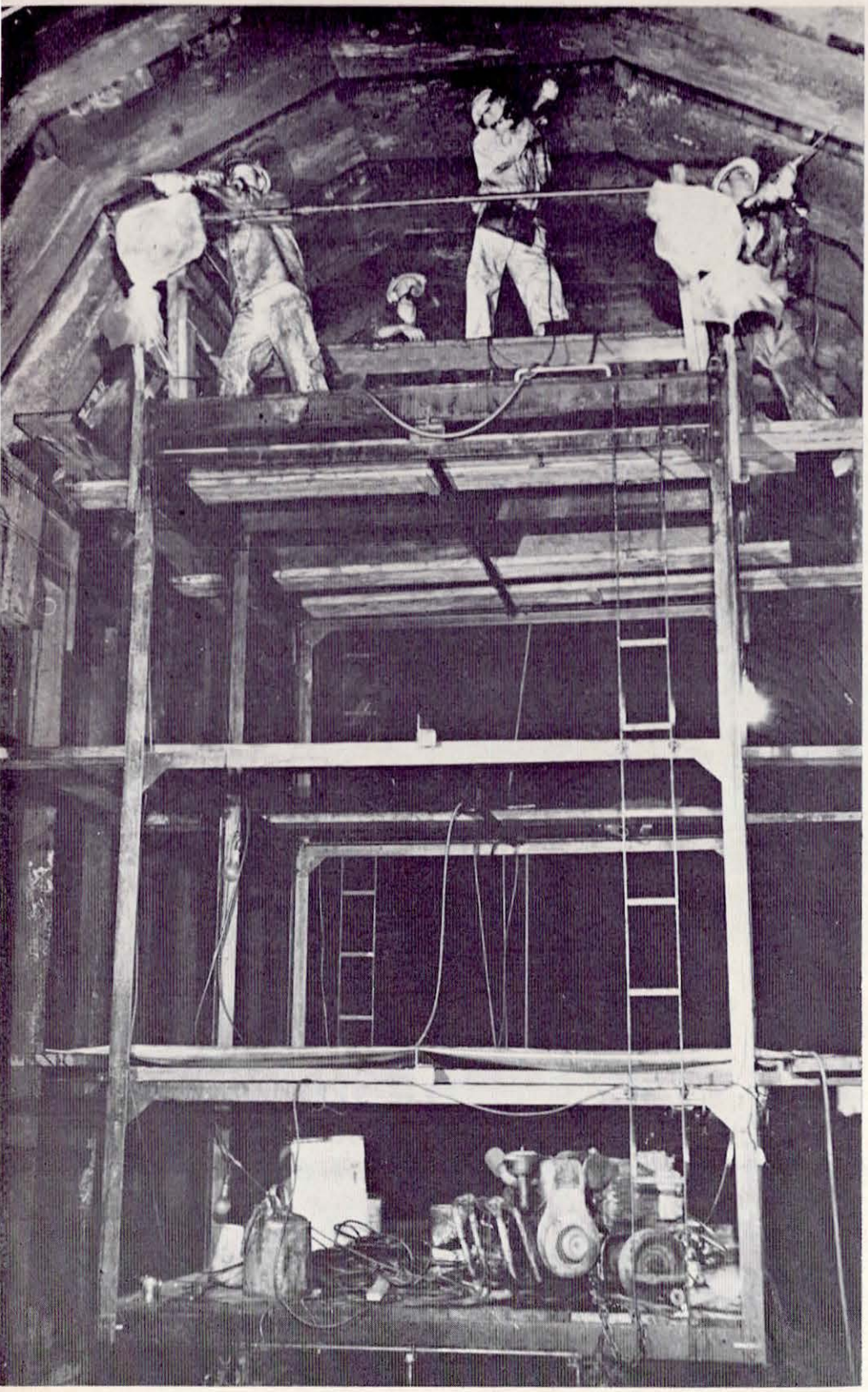
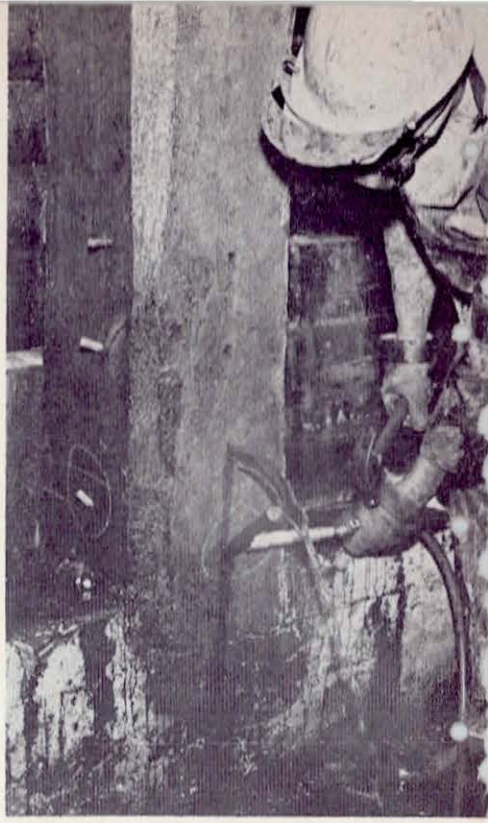


ELECTRIC DRILLS being used to make borings in arch members of timber sets. Borings were made in accordance with standard pattern. Three holes were drilled in each timber at every timber connection. This procedure provided a minimum of 42 holes in each complete ring.

SPRAY NOZZLE is used to apply preservative to external surface of vertical posts and lagging. An average of about 14 gallons of preservative was applied externally on each set. About 80 of the tunnel's arch rings were found to have decay too far advanced to justify the treatment.



PRESERVATIVE is applied under pressure to plumb post with internal decay. Note overflow escaping from bored hole directly over nozzle. About 1½ gallons went into each set.

C&O Adds New Life To Lining in Tunnel

► **The Story at a Glance: As the result of a recent project the C&O may get as much as 10 years' additional life from the timber lining in its 3,600-ft Pine Mountain tunnel. The project involved the preservative treatment, in place, of the 2,700 ft of timber lining in the tunnel. Installed about 13 years ago, the lining, which was untreated, had begun to show signs of decay. The in-place treatment was the more economical of two alternatives. The other, much more costly, was to renew the lining in its entirety over a period of years.**

Engineering officers of the Chesapeake & Ohio feel they have postponed indefinitely the need for renewing the timber lining in the road's Pine Mountain tunnel. The project would have involved spending some $600,000. The postponement was achieved by a project that involved application of in-place preservative treatment to the lining at an approximate cost of $50,000.

The story begins back in 1947. The C&O in that year undertook construction of a 3,600-ft single-track tunnel to carry a 10-mile extension of its Big Sandy subdivision through Pine Mountain. The extension, built to serve a coal mine, connected with the subdivision at Jenkins, Ky. Except for 900 ft of concrete lining at one end, the tunnel is lined with untreated timber.

Main supporting members of the timber lining consist of 809 timber sets spaced 2 ft to 4 ft apart. The sills, posts, plates and ring segments of the sets are all 12-in. by 12-in. white oak members. The arch rings and about 50% of the wall areas are lagged with 4-in. white oak planking.

First Signs of Decay

By 1957, signs of decay began to appear in the timber sets. Shortly thereafter the road began to consider corrective measures. One of these was to renew the tunnel lining completely. Consideration was given to the possibility of doing the work over six or eight years, renewing those sets first that showed most decay. It was estimated that the cost of complete renewal would range between $500,000 and $700,000.

Before a final decision could be made on renewal, an alternative proposal was made. This was to treat the timber lining in place with materials and techniques developed by the Osmose Wood Preserving Company of America, Inc., Buffalo, N. Y. The method consists essentially of thoroughly soaking exposed surfaces of the dry timbers with 5% pentachlorophenol-oil solution containing special additives, and injecting the solution under pressure into decayed areas through holes bored for the purpose. Fluor chrome arsenate phenol, Type B preservative is used on the wet timbers.

The tunnel lining was carefully inspected. Timber sets were tested for decay by sounding with hammers and by taking increment borings where evidence of decay was found. From this inspection it was concluded that no more than about 10% of the sets were decayed to the point of requiring partial or complete renewal. The remainder could probably be left in service for years, providing they could be effectively treated to prevent further decay. Decision was made to proceed with the Osmose treatment. The project got under way last July 7, with Osmose Wood Preserving doing the work under contract.

The treatment was carried out by a contractor's crew that averaged five men. Equipment furnished by the contractor consisted of two spray trucks, a generator and the necessary hose, spray heads and interior treating nozzles. The railroad provided two tunnel cars, a generator and flood lights. Each tunnel car consisted of a heavy-duty push car on which was mounted a jumbo-type timber frame with working platforms to permit the men to reach all parts of the sets.

The railroad also provided a motor car to transport preservative into the tunnel.

A crew of 8 to 10 men was provided by the railroad to perform incidental jobs connected with the treating work. These men cleaned away dirt and debris from around the sets ahead of the treating crew, moved the working platforms with a motor car as necessary, and transported equipment and materials for the contractor.

In carrying out the treating work, a printed form designated a "Tunnel Inspection and Treating Report," was used. A feature of the form was a drawing of a typical timber set on which was indicated a standard pattern of borings to be made. At every timber connection, three holes were drilled in each timber, making a minimum of 42 holes in each complete ring. The form also contained spaces for identifying the set, for indicating timber condition at the boring locations, for giving details of the treatment, and for other information.

The procedure when carrying out the treatment was to drill holes at all points indicated on the form. If decay was found, additional holes were drilled to ascertain the extent of it. All holes were treated internally with a special nozzle at a pressure of 75 to 100 psi. Then each hole was filled with a treated plug. Next, all exposed parts of the set were treated externally by flowing on the preservative. Where additional pressure was needed, the preservative was applied by misting. In addition, holes were drilled through the lagging, and preservative was flooded on the packing and lagging.

An average of about 14 gal of preservative was applied externally on each set. The preservative applied internally in each timber set averaged 1½ gal.

Some Items Replaced

During the boring procedure, about 80 of the arch rings were found to have decay too far advanced to justify treatment. In such cases the ring was rejected for treatment and marked for renewal. Also, some plumb posts were found to be so badly decayed they had to be posted or replaced. The ring segments which were rejected for treatment and marked for renewal amounted to approximately 10% of the total timbers, while the posts and plates amounted to only about 2% of the total.

The work of treating the timber sets was completed on October 20. The railroad now has a crew in the tunnel renewing the arch rings and posts that were rejected for treatment. It is estimated that this phase of the project will cost approximately $25,000.

According to C&O officers, if this in-place treatment proves satisfactory, and it is felt only time will tell, it is expected to prolong the life of the timbers as much as 10 years.

As a result of the project, the railroad has a complete record of each timber in the tunnel. In addition to showing the preservative applied, it indicates whether the timber is sound, or whether it has a punky heart. In the latter case, the thickness of the remaining shell is indicated.

The Revolutionary GENERAL MOTORS GP-30

The Revolutionary GP-30 . . . a new 2250 horsepower combination high-speed, heavy-drag general purpose locomotive . . . thirty major advancements . . . a new concept of locomotive reliability . . . dramatic savings in operation and maintenance . . . the single most important motive power development since introduction of the first Diesel powered FT locomotive in 1939 . . . offering the greatest return on investment in the history of American railroading.

Widest range locomotive on the rails, the GP-30 extends operating range 21½% over Model GP-20 . . . provides 12½% greater capacity for high speed operation as well as drag on grades . . . operates in a mixed consist with lower horsepower units with no reduction in the capabilities of either locomotive . . . maintains adhesion over the entire range with a new wheel slip and load control system. (For example, at 12 miles per hour, the continuous tractive effort is 50,000 pounds, a 21% improvement based on 71 miles per hour top speed.)

Advancing the trend established by earlier General Motors locomotives, the GP-30 dramatically reduces maintenance and operating costs. Advances are measured in terms of the D-22 generator (service life has been extended 50%) . . . the advanced central air system which eliminates car body filters and provides ambient filtered air to all components that use air . . . a new secondary engine filtering system requiring maintenance only once each year . . . the rugged air compressor capable of running at 100% load factor with maintenance intervals extended one year . . . lube oil filters that go 60 to 90 days between changes . . . and up to 10½% improvement in specific fuel consumption over the Model C engine.

Increased capacity of the GP-30 permits operation of present freight schedules with fewer units—two GP-30's replacing three older units on most operations. (And the new GP-30's will pay for themselves within four years when purchased through the Electro-Motive Locomotive Replacement Plan, offering 25% greater economy than the GP-20, protecting the railroad's equity in older motive power).

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Improve RR 'Image,' Shumate Tells ASME

► **The Story at a Glance: While lauding the technical progress of the railroad industry and expressing his optimism about its future, Stuart Shumate, president of the Richmond, Fredericksburg & Potomac, has called on all concerned with the industry to do their part in establishing an improved public image. "Tell what's right with the railroads, not what's wrong with them," he advised the annual luncheon of the Railroad Division of the American Society of Mechanical Engineers.**

During the division's two-day meeting, engineers discussed recent technical developments in freight cars and locomotives. Possible shortcomings in existing freight-car components and newly developed cars were among the topics considered.

"Look at how the public may look at you," RF&P President Stuart Shumate cautioned mechanical engineers gathered for the recent annual meeting of the ASME in New York. After enumerating the reasons for optimism about the railroad industry, he said that all those involved in the technical phases of railroading have an important role in telling the industry's story. There should be more emphasis, Mr. Shumate said, on steps railroads are taking to help themselves. In his view, too much may have been said about what's wrong, particularly in the legislative realm.

As examples of what has been done by the industry, Mr. Shumate cited rolling-stock developments such as the 30,000-gal tank car, the covered hopper car, and the automobile rack car—all of which, he noted, have contributed to traffic gains.

"The potential in piggyback is only scratched," he observed. Recent improvements in freight-car bearings have done much to give better train performance, and Mr. Shumate termed the lubricator journal "a great boon to the railroads." Mr. Shumate said that the diesel will not be the power for the future unless it can be improved. "We must have cheaper locomotion," he observed.

In addition to optimism about the technical accomplishments of the industry, the RF&P president said there is reason to be encouraged about developments in labor and legislative areas. He said that the report of the Presidential Railroad Commission on work rules should be beneficial.

"Congress is deeply concerned about the nation's common carrier system," he said, adding that this attitude should produce helpful legislation involving depreciation, exempt carriers, transportation taxes, and user charges.

"Everyone is involved in telling this railroad story," Mr. Shumate concluded. "Tell everyone we have done these things and that we want only the chance to show we are aggressive."

Present freight-car-truck brake rigging and center-plate lubrication practices were discussed at one of the technical sessions. Freight-car wheels may not wear uniformly because of the unbalanced braking forces which apparently exist in standard freight-car trucks. This conclusion has been reached following nearly four years' operation of 400 Wilson Car Lines refrigerator cars, during which brake-shoe replacement patterns have been carefully determined.

J. R. Jennings, general manager of Wilson Car Lines, told the meeting that "attention is naturally directed toward the brake rigging." Brake rigging has always been subject to compromise. The present "rod-through-the-bolster" arrangement produces braking forces which are not symmetrical at all wheels. This produces uneven shoe wear and, apparently, uneven wheel wear also. Uneven wear means that brake shoes must be replaced on an individual basis rather than in complete car sets. Present practice is less economical than that which would be possible if all shoes on a car were worn uniformly and could be replaced at one time. Mr. Jennings urged that a study be made of brake rigging and truck components to correct the situation.

W. M. Keller, AAR vice president, research, conceded that there are deficiencies in the present truck-brake arrangement and said that the AAR Research Center is working on the problem. C. E. Tack, vice president and chief mechanical engineer of American Steel Foundries, observed that any factor which produces uneven wheel tread wear becomes increasingly important as freight-train speeds increase. He said that passenger-car wheel standards should be applicable to freight cars if these cars are to be operated at high speeds.

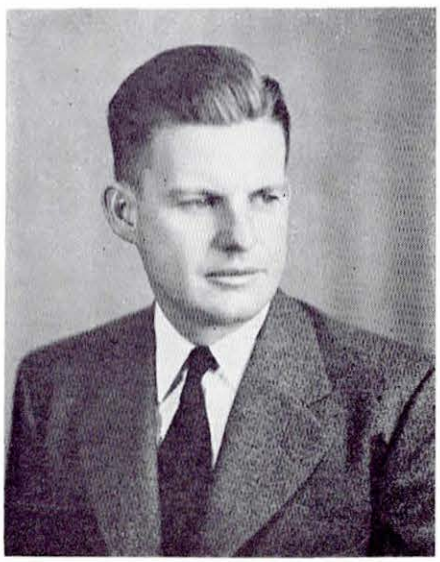
The center plate on which the conventional freight-car truck pivots normally operates with a minimum of lubrication. It consists of a pair of rough castings, one in the truck bolster and the other, a separate casting, mounted under the body bolster. In service, the truck actually swivels very little—only about 2 deg on a 10-deg curve. However, there has been considerable interest in providing better lubrication for this assembly.

W. H. Cyr, chief mechanical engineer of the Canadian National, told of his railroad's experiments with various types of center-plate lubrication and with machined center plates. He reported that recent work with a molybdenum disulphide lubricant in an epoxy binder gives promise of lasting for reasonable periods on conventional center plates. Free molybdenum disulphide and conventional greases on either the rough castings or on machined surfaces have been shown to have insufficient life to be considered satisfactory lubricants for this bearing surface.

Reduction of center-plate friction should cut center plate wear, make it easier to maintain side-bearing clearances, and reduce flange wear, according to Mr. Cyr. However, he warned, road tests may show that low center-plate friction might actually increase flange wear and promote excessive truck shimmy. The problem is still under study by the CN.

G. H. Newcomer, AAR director of mechanical research, reported that the Mechanical Division and the Truck Manufacturers Engineering Committee are currently considering a flatness tolerance for center plate castings, a step which should increase the bearing area.

A comprehensive test program has shown the Alcan tank-hopper car design (RA, Sept. 12, 1960, p. 60) to be



STUART SHUMATE

structurally sound. Results of the year-long test program were given in a report by R. A. Campbell and I. H. Jenks of the Aluminum Company of Canada. "The basic idea behind this design was a welded freight car for bulk ladings which could be constructed without a through center sill, leaving the central area free for discharge outlets," it was explained. "Curved sides used require the minimum of metal for maximum capacity and rigidity, and side sills are proportioned to accept the buffing loads. The absence of center sill and side posts, along with simplified outlets, makes possible economical fabrication and operation," it was said.

A comprehensive test program was carried out with one of the four cars originally built. Cooperating, Aluminum Laboratories and the Canadian National put the car through a series of impact, road, static, and fatigue tests. "Tests proved the new design valid," the authors reported. "Subsequent road operation has shown the advantages assumed for this design are being realized with ease." Orders for this car have been placed in the U.S. and Canada. At least six North American car builders are now constructing cars of this general configuration.

Two approaches to freight-car cushioning were covered by two other presentations. R. L. Hassenauer, chief design engineer of the Freight Car Division of General American Transportation Corp., discussed the proportioning of the hydraulic cushioning device used in many freight cars built recently. He stressed the importance of actual testing in confirming the results of theoretical calculations.

The Barber cushion tube, an arrangement for putting both a car's draft gears in series during buffing shocks, was reported to be an economical approach for providing lading protection through increased cushioning. A tube extends between the backs of the yokes of the two couplers (C&O Floating Tube, RA, Feb. 23, 1959, p. 38). Following tests these conclusions were reached:

- The floating tube center sill arrangement more uniformly distributes the forces throughout the car as compared with a car having only the standard draft gear and pocket.
- The experimental arrangement increased energy absorption during impact by 50% and reduced coupler force by as much as 40%.

To date, about 1,250 cars have been fitted with the cushion tube. In a six-months' test period, it was found that the cushion tube could effect a major reduction in damage to automobile glass as compared to cars with the conventional draft-gear arrangement.

During discussion, K. A. Browne, C&O director of research, commented that the cushion tube gives an improvement in lading protection far greater than might be expected from such a simple device. A CN engineer commented that this device has low first cost in terms of lading protection, that it is readily applied to existing cars, and that it can be combined with different draft gears to give a range of capacities. He referred to the difficulty a car designer now has in balancing performance against the first cost of the ten or more cushioning devices available. If impacts are reduced by cushioning devices, he said, designers should be simplifying car structures.

RAILROADING AFTER HOURS WITH JIM LYNE

EUROPE IS UNITING—I've been reading more about that European Common Market or "European Economic Community" (e.g., National Review magazine, Dec. 2 issue). Nations of Western Europe are steadily reducing tariff and immigration barriers against each other. The result is that in this area industrial growth since 1955 has been 7% a year, compared with 2% in the U.S.A. At this disparity in growth rates, Europe could be way ahead of the U.S. in production and wealth in a relatively short time.

FREIGHT WHISTLES—Lots of people feel homesick for the sounds of steam locomotive chime whistles—the throaty, steamboaty kind. Some of these diesel horns are a fairly near substitute. As for me, it's the puffs of the exhaust steam that I really miss. Jet planes come pretty close to the racket of a steam locomotive at top speed—but there's no sound left that comes as close to that of a steam engine at 30 mph or so, except the percussion instruments pounding out African and Caribbean dance rhythms.

In my mid-continental youth, the most common locomotive whistle wasn't one of those chime jobs, anyhow. It was the shrill, single-toned shriek of most of the freight engines. (The more expensive chime devices were reserved for the passenger power.) This freight locomotive whistle wasn't one of those effeminate squeaks that they hang on European engines—but it wasn't any symphony orchestra either. Not a thing of beauty, but something you miss all the more because it got so much attention when it was around. A warning device isn't supposed to sing you to sleep, but to make you jump.

UNSAFE PRACTICES—We got some kicks on a picture we printed in our Oct. 16 issue, page 13, showing a couple of trainmen on the front footboard of a diesel switcher—strictly against the operating rules. (Inquiry developed that the photograph was taken during the construction period, before the operating department took over—so, technically speaking, no rules were violated.)

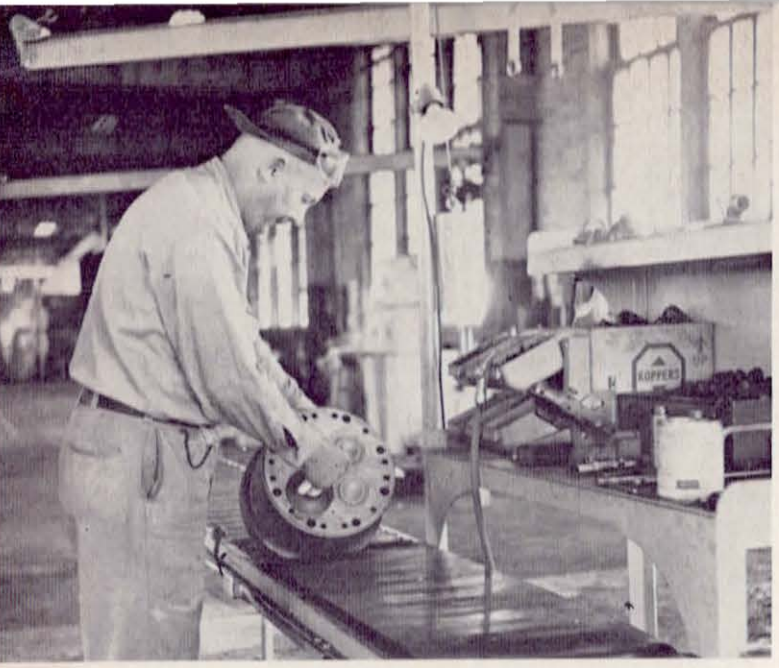
Now along comes Carl Blaubach of Los Angeles with a page torn out of a Sears Roebuck catalog, picturing a "train and turnpike thriller"—with the sales slogan: "Watch autos beat train to the crossing." People who will spend their money for miniature trains (my guess would be) would prefer to see the trains beat the autos.

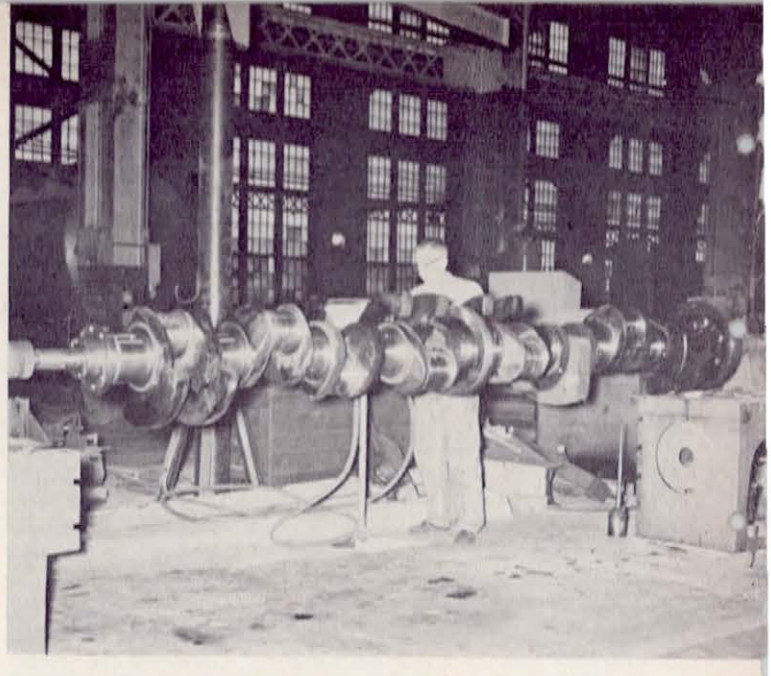
Do pictures or models of unsafe practices encourage such practices?

RAILROAD BARGAINS—Railroad freight charges averaged less than 6% of the wholesale value at destination, of products shipped by rail in 1959. The detailed figures are given in ICC Statement No. 6112.

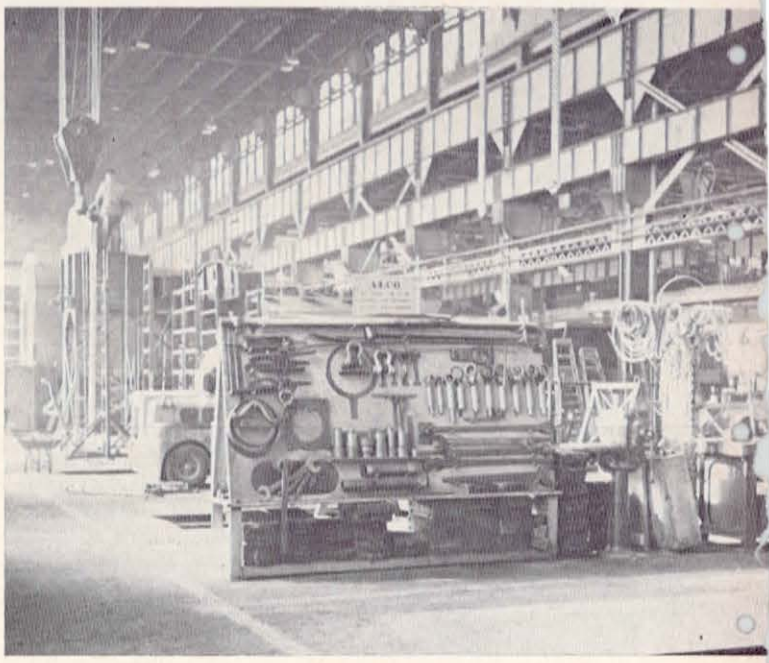
What this means, obviously, is that, if an article sells wholesale for $100 at destination, railroad freight charges make up less than $6 of that $100. The 1959 average is a couple of hundredths higher than that of 1958, and 31 hundredths above 1946's 5.46%. The ratio of railroad charges is away down from pre-war and pre-depression, though. The ratio of railroad charges to selling price was 7.26% in 1941 and 7.90% in 1928.

The ratio of freight charges to selling price varies to beat the band, as between commodities. In 1959, the ratio was less than 3% for LCL and less than 4% for manufactures and miscellaneous; but was 28% for products of mines and 14% for forest products. On a considerable list of commodities (e.g., shoes, cloth, metals and alloys n.o.s.) the ratio of railroad charges to selling price was less than 1%. It isn't what shippers could afford to pay that puts a ceiling on railroad rates. The price of hauling the goods in some other way sets the ceiling.





The Grand Trunk Western's modernization program for its Battle Creek, Mich., shops has entered the final phase. Total cost of the project is $1.5 million. Work now being finished involves adapting the main steam back shop for heavy repairs to diesel locomotives. Room for future expansion of the shop is available. Three tracks run through the shop.



GTW Shop Program Nears Finish

The Grand Trunk Western has almost completed a $1.5-million modernization of its Battle Creek, Mich., shops. The final phase of the project involves adapting the main steam back shop for heavy diesel repairs.

In the first phase of the modernization program, one end of the shop was converted to a 7-track enginehouse (RA, Nov. 14, 1960, p. 15).

The GTW had many reasons for adapting the Battle Creek back shop for heavy diesel repairs. It is in the center of the road's territory and adequate manpower is available. There is ample space for future expansion, plus crane facilities to handle any size power. Shopping schedules for the next three years average 28 units per year, or 2 1/3 per month.

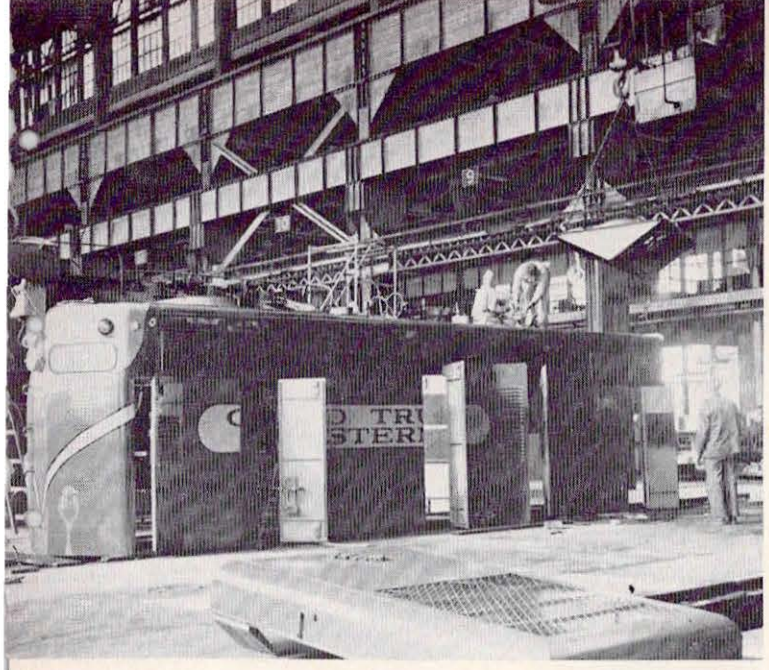
GTW officers say they could quadruple their present output with little or no change in shop layout. Considerable mechanized handling of parts and materials is already in use. Increased output would merely make production lines of the partly mechanized lines, since practically all equipment is in place.

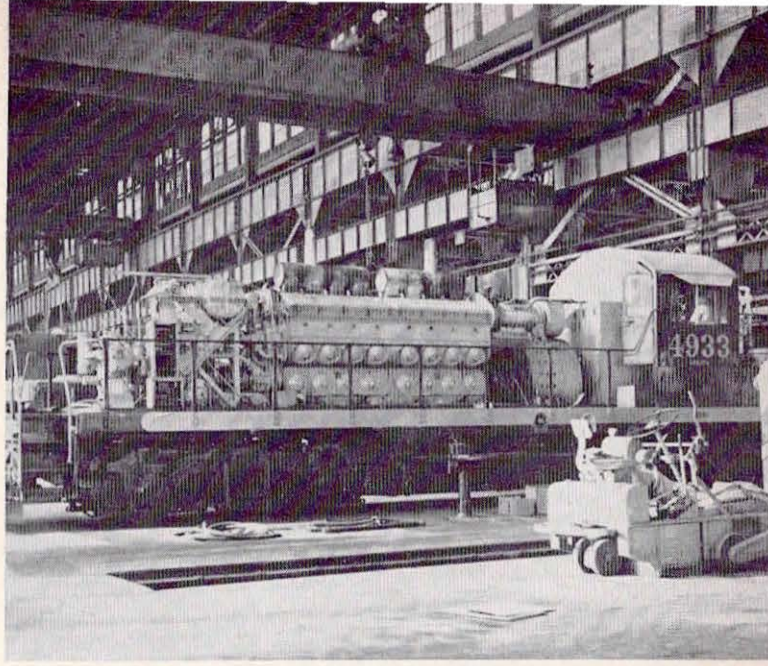
Departments now on the balcony, including the injector room and air brake repairs, are to be moved to the main shop floor. Nine tracks are available for all classes of repair. The completely equipped stores area, serving both enginehouse and shop, is open 24 hours a day, seven days a week.

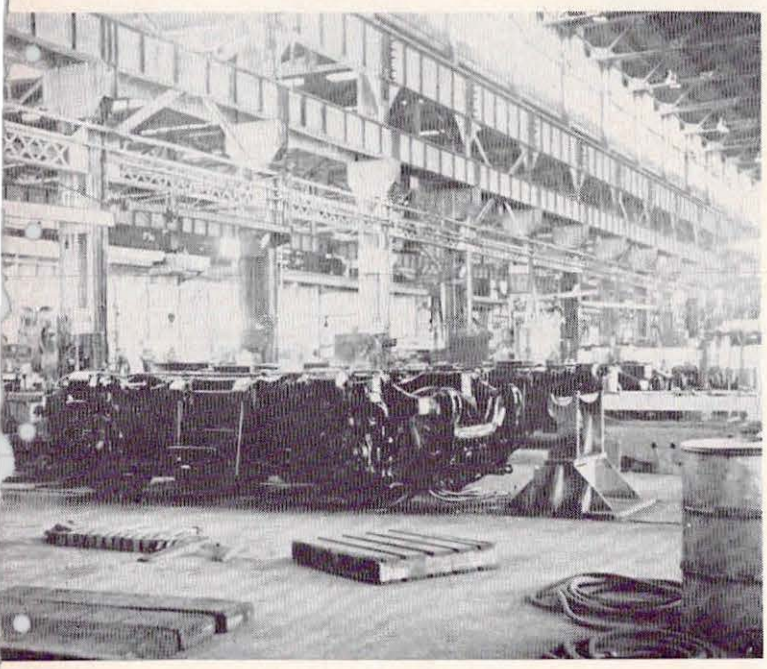
Three tracks run through the shop from its north end, to eliminate any bottle-necks. A shop office, lunch room, first-aid station and toilet are under construction.

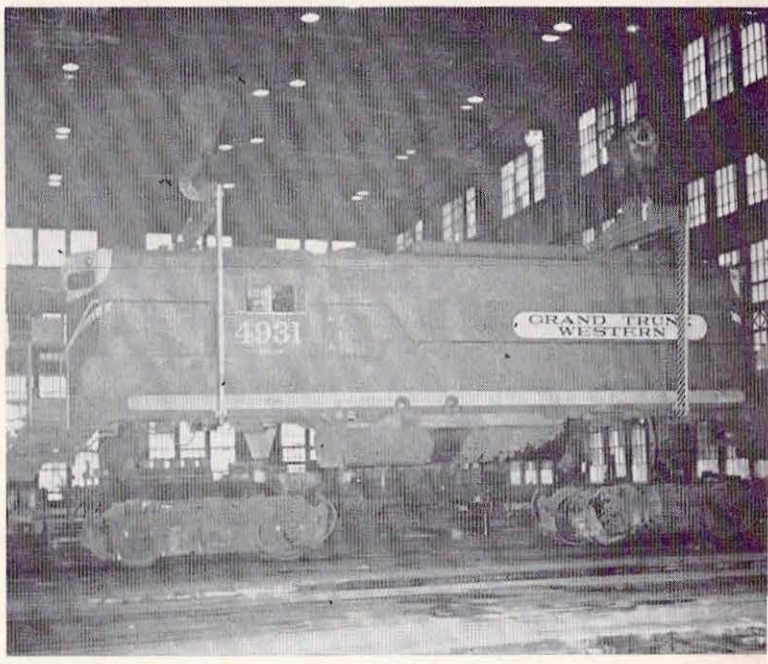
Equipment in the tool room and machine shop includes two engine lathes, a saw, a threader, a boring mill, a screw machine, a milling machine, a shaper, tool grinders and vises.

Overhead traveling crane facilities consist of a 160-ton unit to serve the entire length of the south side of the shop, a 10-ton crane serving work tracks and cleaning area, and a 20-ton crane over the truck repair and wheel area. A 10-ton crane serves the entire









at Battle Creek

electrical department. The bench area for repairing electrical components is serviced by a 2-ton crane.

The shop is arranged so that all cleaning is done in the southeast corner of the shop. There are facilities for exterior cleaning of units and for cleaning engine and component parts. This setup keeps all dirt and grease out of the locomotive-rebuild and component-rebuild areas.

New equipment in the shop includes a balancing machine, a commutator undercutter, a banding machine, a degreaser, and a heavy duty baking oven.

Diesel units for either class 2 or 3 repairs generally enter the shop on the through track at the shop's last end. For heaviest repairs, the carbody is lifted off the trucks and placed on the adjacent pit. After the diesel engine is removed, the carbody is washed with hot water and steam. The carbody is then moved to one of the other pits. The diesel engine is placed on the stripping pit, disassembled, the frame and parts are cleaned and delivered to the rebuild areas.

For locomotive repairs not involving removal of the engine(class 2 repairs) the hood is lifted off so power assemblies can be removed and replaced conveniently. The carbody interior, engine and accessories are wiped free of dirt and grease. Previously repaired power assemblies are applied. Trucks are inspected, repaired, wheels turned and traction motors examined.

The diesel-component-rebuild area is partly mechanized. A roller conveyor is available for processing heads mounted on special stands for convenient handling. Piston and liner assemblies from the enginehouse and shop are stripped at pit 3. The pistons, liners, heads and valves go to the lye vat and are washed with hot water and steam. Connecting rods and carriers are sent to the degreaser.

The electrical department overhauls and assembles traction motors and generators; rewinding and heavy field-coil work is done by outside suppliers.

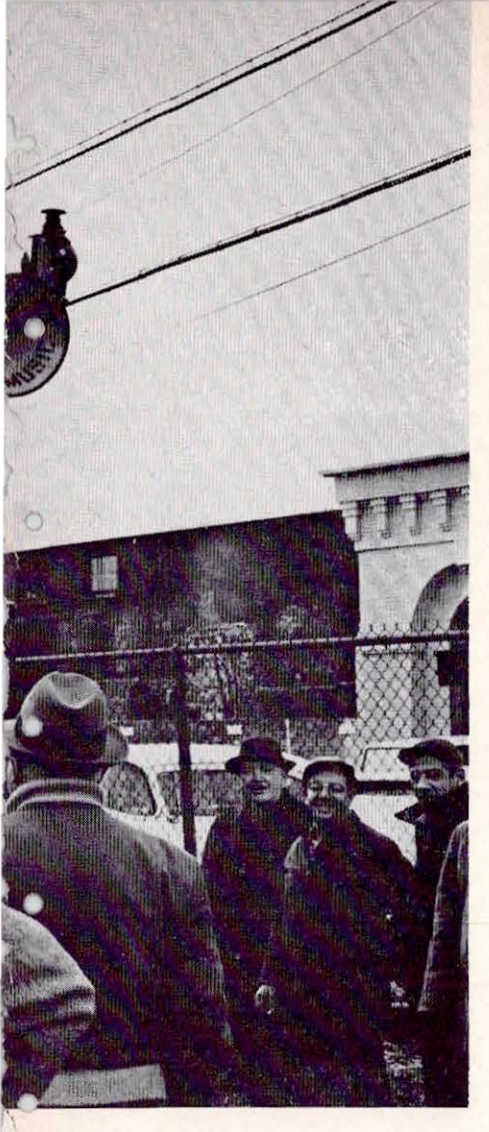
All steel work is done in the forge shop adjacent to the main shop building. Facilities are available for complete fabrication of parts and repair of pilots, skirtings, steps and traction motor gear cases.

TELL THE PEOPLE:

'Paul Revere Special' Carrie

QUESTION AND ANSWER SESSIONS following the formal presentations covered every subject from complaints about (or bouquets for) local service to broad questions of merger policy. Every question got a straightforward answer. Sample: "Why," asked one shipper, "does it take two or three days to get a car from your yard to our siding? Maybe you need another switching crew here." "If we do," said Mr. McGinnis, "we'll get one. If you can't get satisfaction, come see me."

THE PUBLIC WAS INVITED to turn out at the whistle stops and, in spite of the chill of a station platform in late November in Massachusetts, people came out to meet the train. At Worcester, for example, a local school teacher took advantage of the opportunity to introduce his family to Boston & Maine President McGinnis—and his children got their first ride on a train. Local press, radio and TV were on hand to cover every stop. Tally: 114 news stories, 7 TV and 33 radio news shows, plus assorted features.



BREAKFAST MEETING AT PITTSFIELD, Nov. 28, was the first of a series of six meetings to which local business leaders, editors and educators and political figures were invited. The format for the presentations was simple. Following breakfast (or lunch or dinner) in the dining car attached, guests gathered in the observation lounge. Messrs. McGinnis, Harwood and Campbell spoke briefly, outlining why railroads are essential, how rail taxes are discriminatory, how regulatory restrictions hurt—and why those present should want to help.

WHISTLE STOPS were scheduled at Boston & Albany and Boston & Maine towns en route. Featured in platform appearances were the rail officers and two young ladies representing "Faith—the faith we have in the public's sense of fair play," and "Hope—the hope we have that next year's legislation will have your full support." Inevitably, someone in the crowd asked "Where is Charity?" The reply was easy and effective. "Charity isn't here, because the railroad industry is not asking for charity—only parity."

Rail Story Across New England

Nineteen Sixty-One opened with high hopes that it would be the year in which railroads won from legislators some of the freedoms the railroads need to survive. It is closing with general agreement that it has been another "holding year" so far as legislative achievement is concerned. A holding year is one in which victories are scored in terms of the lack of defeats.

What can be done to improve the chance of favorable legislation in 1962? There are a number of answers, but one seems obvious: muster public support.

The "Paul Revere Special" has just completed a tour of Massachusetts and New Hampshire towns. Aboard to tell New England business men, legislators, editors and the public why they are in danger of losing their railroad service were Boston & Maine President Patrick B. McGinnis, New York Central Vice President Douglas Campbell and NYC's Herbert Harwood, executive representative of NYC President Perlman.

The pictures on these pages are the record of what happened on the Paul Revere Special, the fourth such train to hit the road under ERPC auspices.

WHAT DID THE SPECIAL ACCOMPLISH? In terms of legislative goals, it's too early to say. In terms of the attitude of the people who attended the meetings, it is possible to say that most of them seemed to be impressed by the logic of the railroad position—and by the urgency of the case. These meetings outlined the problem in general terms. As the railroad speakers were careful to point out, there will be a time for specific approaches as specific matters come up. As legislation is introduced, for example, the same group will be approached and asked—if they agree with the case presented in the Paul Revere meetings—for their support for specific bills.

'Is This What We Really Want?'

A federal government unwilling to face up to the economic facts of life may find the nationalization of railroads to be a politically expedient way out of the transportation muddle, Erie-Lackawanna Chairman P. M. Shoemaker warned last week.

"Neither this country as a whole, nor the business community as a part thereof, can afford the complete socialization—and by that I mean federal nationalization—of our transportation system," Mr. Shoemaker told the New York Chamber of Commerce Dec. 6.

But the prospect, he said, is one that can't be ignored.

"Rather than face up to reality and give the railroads the equality of opportunity and treatment that is necessary; rather than give railroad management its first chance in two generations to really be a part of our private capitalistic profit system and succeed or fail by its own responsibility, there is increasing possibility that the political expedient of federal ownership and operation will be accepted," Mr. Shoemaker declared.

"Socialization has taken the stamina and strength out of 25% of our agricultural industry. I note the Aug. 31 report of the Department of Agriculture indicates a total 'investment' in price support loans and inventories of well over $7,000,000,000, with an ultimate estimated loss of more than $1,750,000,000.

"Is this what we really want for transportation?

"I repeat . . . we cannot afford the luxury of a socialized transportation system even though it be another tempting morsel for those who would center the solving of all of our problems at the location of economic genius—Washington."

Mr. Shoemaker described in some detail the economic woes besetting the industry, particularly eastern roads which "in 1960 had a net income deficit; one which has become substantially worse in 1961. The New Haven has gone into bankruptcy. Other roads are frighteningly close to the same condition. Mergers are almost hysterically being sought as cost-reducing actions but in themselves mergers are not a panacea for the fundamental causes of the railroad situation."

The battle isn't lost yet, said the Erie-Lackawanna chairman.

"There is strong hope," he said, "that the recommendations of the Department of Commerce early last month to President Kennedy for his forthcoming 'Transportation Message' to Congress, have included less restrictive regulation, improved equality of treatment and opportunity by user charges on government-provided facilities, tax relief on railroad transportation property to make it more comparable with non-taxed highways and waterways and, of prime importance, a clarification of private carriage prohibiting its being utilized directly or indirectly on a 'for hire' basis."

To attain these corrective measures, Mr. Shoemaker called for "active support" by businessmen.

Bankers Cite Fears For RR Survival

► **The Story at a Glance: Government ownership and operation of railroads "would appear to be inevitable," if present trends continue, the Investment Bankers Association of America has been advised. IBAA was also told that substantial investors will continue to shy away from the railroads until Congress acts to permit the industry "to conduct the business as it should be."**

"Unless appreciable and rapid progress is made in dealing with [railroad] problems, the survival of the railroad industry as an integral part of our free enterprise system is seriously in jeopardy and government ownership and operation would appear to be inevitable."

This warning was sounded by the Railroad Securities Committee of the Investment Bankers Association of America in its annual report at IBAA's 15th convention at Hollywood Beach, Fla., Nov. 26-Dec. 1.

The committee said some of the blame for the railroad predicament—"in certain instances more than others"—must be laid at the door of management. "It is our opinion," said the committee, "that railroad management must be more cooperative and more statesmanlike in coping with general problems of public transportation."

But the committee indicated its belief that the real problem lies in legislative and regulatory inequities, declaring: "The failure to accomplish little more than minimum progress with respect to a modernized transportation policy and regulatory philosophy is one of the principal reasons why the railroad industry continues to be a notoriously weak segment of our economy."

The committee found the immediate outlook for railroads to be better than it has been in recent months.

"The near-term prospects are for a materially better traffic outlook throughout the first half of next year and consequently an improved earnings situation," the committee said. "Further consolidation proposals and progress in this connection should also be witnessed. In certain quarters corrective legislation favorable to railroads is anticipated from the next session of Congress."

"Notwithstanding the temporary favorable outlook for the railroads, experienced discriminating investors, so necessary to the industry if its health is to be restored, will not invest new long-term funds therein under conditions that permit earnings equal to only a small fraction of a reasonable level.

"Until such time therefore as a proper presentation of the situation is made to Congress, and the latter enacts legislation designed to assure investors that they will be given every opportunity to conduct the business as it should be, railroad securities should prove quite volatile marketwise, following the ebb and flow of earnings and consolidation progress."

The IBAA committee came out strongly for "well conceived and equitable plans for consolidation of railroad properties." Such plans, said the committee, "should be sanctioned without undue delay if economic waste is to be avoided and the public is to receive improved transportation service at the lowest possible cost."

If railroads could be consolidated into as few as 10 or 12 systems, the committee conjectured, the pretax savings in transportation costs could amount to "upwards of $1 billion annually."

ICC Advised to Shield Seatrain

The ICC has been advised by Examiner William J. Kane that it should require the railroads to establish joint rail-water-rail rates with Seatrain Lines which are 5% lower than all-rail rates on exception-rated traffic and traffic moving on commodity rates between Eastern Seaboard Territory and Southern and Southwestern Territories.

The advice came in a proposed report which relied on various Commission rulings of the past, including last January's decision in the Sea-Land rate case. That's the case in which a three-judge federal court has set aside the Commission's order requiring that railroad piggyback rates be 6% higher than competing truck-water rates of Sea-Land Service, Inc., another water carrier in the Atlantic-Gulf coastwise trade (RA, Nov. 27, p. 46).

The proceeding out of which the examiner's report has come is No. 33479, Seatrain's complaint alleging that the railroads have been diverting business from rail-Seatrain routes to all-rail routes by publishing reduced commodity rates, restricted to all-rail routes, on traffic that historically moved under class rates which include rail-water rates differentially below all-rail rates. Another contention on which the complainant relies is that the national transportation policy, as interpreted by the courts, contemplates that differential relationships between rail rates and water rates are not to be disturbed or eliminated by reducing the all-rail rates or increasing the water rates.

The railroads are willing to join in rail-water rates on a parity basis with the all-rail rates. The examiner refused to recommend settlement of the controversy on that basis, because "it is well established, generally speaking, that rail-water rates should be lower than the all-rail rates between the same points."

The proposed report's further comment on the railroads' parity proposal included this: "The conclusion is axiomatic . . . that an equality of rates would result in monopolizing the traffic, and foreclose the movement via coastwise service of any substantial volume of the available tonnage."

This and other like comment brought the examiner to an assertion that maintenance of the railroad rates "threatens the continued operation, and thus the continued existence, of complainant water carrier's coastwise service."

The three-judge court dealt with that argument in the Sea-Land case, saying the 1958 Transportation Act's prohibition against umbrella rate-making cannot be nullified by the Commission "merely because of the adverse effect of rate competition on another mode of transportation, even if carried to the point of rendering one mode of transportation obsolete and hence unable to survive."

Contrary to railroad contentions that fully-distributed costs have no proper role in competitive rate-making, the court held that the fully-distributed-cost basis is the proper one for identifying the low-cost carrier in a competitive rate case. Cost evidence before Examiner Kane, as he interpreted it, would make Seatrain the low-cost carrier on the fully-distributed cost basis only if it carried an average of 95 freight cars per vessel. Latest figures of record (for the July-November period of 1960) show an average of only 85 cars per vessel.

On the basis of these actual loads, the fully-distributed cost of the rail-Seatrain movements exceeded those of the all-rail movements, the examiner said. But he went on to suggest that Seatrain might have attained 95-car loads, and thus become the low-cost carrier on the fully-distributed basis, if the assailed railroad rates had not diverted so much traffic to the all-rail routes.

ICC Set Back on Contract Carriage

The United States Supreme Court disagrees with the ICC's interpretation of 1957 amendments to the Interstate Commerce Act which modified the definition of private carriage.

The court has affirmed lower-court rulings and thus required the Commission to reconsider decisions wherein it has denied applications for contract-trucker permits on the ground that existing services of common-carrier truckers were adequate. The cases are J-T Transport, which involves the application of J-T Transport Co. for authority to extend its operations as an irregular-route contract carrier of airplane parts; and Reddish, which involves the application of Elvin L. Reddish for contract-carrier rights to carry canned goods from three points in Arkansas and one in Oklahoma to points in 33 states, and to carry other commodities on return trips.

The 1957 amendment, as the Supreme Court pointed out, was enacted as a result of Commission concern that the definition of contract carriage was too broad. That concern came after the Supreme Court had decided in the Contract Steel Carriers Case that a contract carrier did not become a common carrier "because it reached for new business."

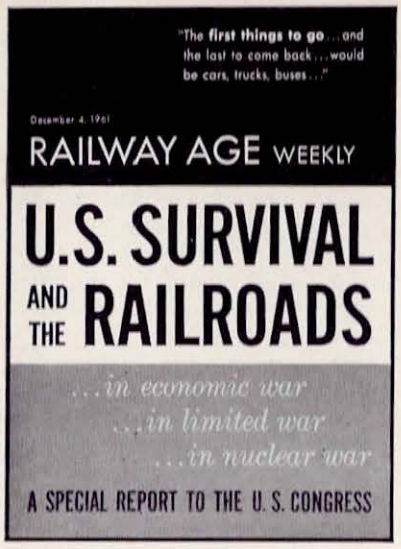
The amendment set forth five factors for Commission consideration in determining whether it should issue a contract-carrier permit. As summarized by the court, they are:

(1) The number of shippers to be served; (2) the nature of the service proposed; (3) the effect which granting of the permit would have upon the services of the protesting carriers; (4) the effect which denying the permit would have upon the applicant and/or its shipper; and (5) the changing character of that shipper's requirements.

The court conceded that the "adequacy of existing service" was properly considered, but it concluded that the Commission gave undue weight to that factor which Congress did not intend to be determinative. The amendment, as the court read it, means "that the 'distinct need' of shippers for the new contract carrier service must be weighted against the adequacy of existing services." The court added:

"The aim of the 1957 amendments was not to protect the status quo of existing carriers but to establish a regime under which new contract carriage could be allowed if the 'distinct need' of shippers indicated that it was desirable. We cannot assume that Congress intended to adopt the administrative construction which prevailed prior to the amendment. . . .

"The standard is not whether existing services are 'reasonably adequate.' It is whether a shipper has a 'distinct need' for a different or a more select or a more specialized service. The protesting carriers must show they can fill that 'distinct need,' not that they provide 'reasonably-adequate service'," the court said.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Switching Charges Condemned

Increased switching charges established by the railroads as part of the general Ex Parte 223 rate advance have been condemned by the ICC. The condemnation is without prejudice to the publication of different increases.

It came in a report, dated Nov. 22, by Commissioner Goff in Ex Parte No. 223 (Sub-No. 2). The increased switching charges in issue have been in effect since Oct. 24, 1960.

They raised switching rates by $7.50 per car for intraterminal or interterminal movements when such rates are paid by consignors or consignees—except that there was no increase in switching charges embodied in billings for line-haul movements, too. Intraplant switching charges were increased by $3 per car.

In condemning this set-up, the Commission says it will approve percentage increases, subject to maxima, provided the increases are extended to switching charges embodied in line-haul billings. The approved increases would be 20%, not to exceed $7.50 per car in Eastern Territory, $5 in Western Territory, and $3.75 in the Southern and Pocahontas regions.

Dissenting-in-part expressions came from Commissioners Freas, Walrath and McPherson, with Commissioner Webb subscribing to the views of Commissioner Freas.

Messrs. Freas and Webb would have approved the present set-up. They saw no reason for the percentage-increase approach, and they objected to extension of the increases to switching charges connected with line-haul movements. "The latter," Mr. Freas said, "were not in issue and the parties had no opportunity to make representations thereon."

Commissioner Walrath went along with the majority except as to the charges on line-haul traffic. Commissioner McPherson didn't like the percentage approach—he would have approved a flat $7.50-per-car increase.

Railroads Win Round In Battle With Truckers

Railroads have won, at least temporarily, a victory in their latest rate fight with motor carriers.

The action came last week in federal district court in St. Louis. The court granted a temporary restraining order against the recent ICC ruling which condemned reduced rail rates on agricultural implements (RA, Nov. 13, p. 10). Motor carriers immediately appealed.

The railroad rates had been in effect about 18 months when ICC's Division 2 ruled them to be "destructive" even though they "appear to be compensatory, and in most instances exceed full costs." The ICC proceeding was docketed as No. 33334.

At issue is the movement of agricultural implements, tractors, road-making machinery and like commodities moving within and between Western Trunk Line, Southwestern and Illinois Freight Association territories, and from those territories to the South. The railroads filed exception ratings which had the effect of lowering rates.

Division 2, in rejecting the rates, noted they were threatening to drive protesting trucking companies out of business.

The railroads then asked relief in federal court, winning the temporary restraining order early last week. The National Industrial Traffic League joined the railroads in seeking the order.

Late in the week, the motor carrier appeal of the restraining order was pending before a three-judge district court in St. Louis.

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Market Outlook

Carloadings Rise 15.9% Above Previous Week's

Loadings of revenue freight in the week ended Dec. 2 totaled 573,701 cars, the Association of American Railroads announced on Dec. 7. This was an increase of 78,612 cars, or 15.9%, compared with the previous holiday week; an increase of 50,765 cars, or 9.7%, compared with the corresponding week last year; and a decrease of 75,881 cars, or 11.7%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended Nov. 25 totaled 495,089 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Nov. 25

District	1961	1960	1959
Eastern	73,330	69,439	80,369
Allegheny	87,053	77,000	110,044
Pocahontas	44,078	36,810	44,148
Southern	95,576	94,716	106,550
Northwestern	58,054	51,313	79,074
Central Western	104,113	107,334	114,342
Southwestern	32,885	34,739	39,702
Total Western Districts	195,052	193,386	233,118
Total All Roads	495,089	471,351	574,229
Commodities:			
Grain and grain products	43,104	52,748	46,984
Livestock	4,058	4,570	5,544
Coal	95,446	82,976	104,964
Coke	7,333	5,232	10,056
Forest Products	31,682	28,310	35,043
Ore	27,866	13,264	47,744
Merchandise l.c.l.	22,568	28,146	33,682
Miscellaneous	263,032	256,105	290,212
Nov. 25	495,089	471,351	574,229
Nov. 18	590,642	567,561	629,895
Nov 11	605,057	564,595	638,333
Nov. 4	619,413	599,555	561,223
Oct. 28	647,549	620,807	587,776
Cumulative total, 47 weeks	25,974,156	28,040,699	28,154,023

PIGGYBACK CARLOADINGS.— U. S. piggyback loadings for the week ended Nov. 25 totaled 10,260 cars, compared with 9,208 for the corresponding 1960 week. Loadings for 1961 up to Nov. 25 totaled 533,917 cars, compared with 504,946 for the corresponding period of 1960.

IN CANADA. — Carloadings for the seven-day period ended Nov. 21 totaled 68,415 cars, compared with 68,328 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Nov. 21, 1961	68,415	23,306
Nov. 21, 1960	66,774	25,895
Cumulative Totals		
Nov. 21, 1961	3,130,161	1,087,945
Nov. 21, 1960	3,291,124	1,246,183

New Equipment

FREIGHT-TRAIN CARS

► *Atlantic Coast Line.*—Ordered 300 70-ton, roller-bearing covered hopper cars from ACF. The cars—delivery of which is scheduled to be completed about March 1, 1962—will be used for transporting phosphate. They are part of a recently announced order for 1,000 cars costing more than $12 million (RA, Nov. 20, p. 31).

► *Burlington.*—Will purchase 965 cars in 1962. Orders will include: 125 insulated box cars with load dividers; 50 DF, 50-ton box cars; 50 flat cars with special bulkheads; 50 70-ton bulkhead gondolas with removable tops; 40 70-ton Airslide hopper cars; 150 50-ton, 60-ft flat cars; 100 65-ft gondola cars; 200 50-ton, 50½-ft box cars with nailable steel floors; 100 double-deck stock cars, and 100 mechanical refrigerator cars with cushion underframes and provision for meat rails. All cars will be roller-bearing equipped. Burlington will also purchase 80 multi-level rack assemblies for installation on existing flat cars for carrying new automobiles, tractors and agricultural implements.

► *Nickel Plate.*—Ordered 100 70-ton covered hopper cars. Sixty-five of the cars, each having 4,030 cu ft capacity, will be built by Pullman-Standard; 35 3,500-cu-ft-capacity cars will be built by ACF. Delivery of both lots is scheduled to start in March 1962.

► *Rock Island.*—Ordered 10 3,500-cu-ft-capacity Dry-Flo 70-ton gondola cars from General American. Seven will be delivered in mid-December and the remainder in 1962. RI also ordered three 50½-ft 70-ton box cars equipped with 30-in. travel P-S Hydroframe 60 cushion underframes from Pullman-Standard. Delivery will be early in the first quarter.

► *Seaboard.*—Ordered 150 70-ton steel covered hopper cars from ACF at a cost of $1,750,000 (RA, Nov. 13, p. 35). Delivery of the cars, which will be used in transporting phosphate rock, is scheduled for next March.

LOCOMOTIVES

► *Burlington.*—Will purchase 30 GP-30 fast-freight diesel locomotives in 1962. Recently introduced by EMD, these units are rated at 2,250 hp each.

► *Nickel Plate.*—Ordered 11 1,800-hp road switchers from Alco. Nine units will be used in freight service and two will be equipped for passenger service. Delivery will begin in March 1962.

New Facilities

► *Southern Pacific.*—Has begun construction of a 102-mile section of CTC between Fresno and Bakersfield. Eleven 1.6-mile sidings are included. Work has begun at Bakersfield and is to proceed northward, with the first segment to be in service in May. Upon completion of the project in August, all single-tracked sections between Mojave and Fresno will be under CTC.

UP's U25B's Ready for Delivery

These four 2,500-hp General Electric U25B locomotives are shown ready for delivery to Union Pacific at the builder's Erie, Pa., plant. The four-motor, four-axle locomotives, powered by GE's FDL-16 diesel engines, are designed for heavy drag and high-speed freight service.

GNP&BL Hearings Enter Second Round

There was standing room only in the spacious sixth floor court room in the new federal building in Minneapolis last week as ICC Examiner Robert H. Murphy opened the second round of hearings on the proposed GN-NP-CB&Q merger. An impressive array of legal talent representing opposition to the planned consolidation was waiting to cross-examine the 21 witnesses who testified in support of the merger at the initial four-day hearing in St. Paul that ended Oct. 13.

Represented at the intervenors' tables were the states of Minnesota, Iowa, Montana, Washington, Oregon and Wisconsin, the United States Department of Agriculture and the Railway Labor Executives' Association. Lawyers for the Milwaukee Road, Soo Line, Chicago & North Western, Union Pacific and Rock Island were also on hand to try to derail plans to create the 24,000-mile Great Northern Pacific & Burlington Lines, Inc.

NP President Robert S. Macfarlane was the first witness called to the stand, but before he was questioned the spectators were treated to a tactic of opposition used for the first time by the railroad brotherhoods. RLEA Counsel William Mahoney asked to be excused from the hearing, charging that the Commission had violated the brotherhoods' constitutional rights by allowing insufficient time to prepare for cross-examination. He noted that the ICC had denied an RLEA request to delay reopening the hearings until after the first of the year.

For the present, at least, hearings on the western roads' merger are the only ones in which rail labor is not actively voicing its opposition.

Richard D. Musenbrock, who was vice president of the Minneapolis & St. Louis before that road was merged into the C&NW, appeared in behalf of the Minnesota Railroad and Warehouse Commission and had first crack at Mr. Macfarlane. Mr. Musenbrock's questioning consumed nearly all of the first day of the second round of hearings. His attack included the accusation that NP shareholders wouldn't get a fair break in the contemplated one-for-one exchange of NP stock for stock of the new company because of NP's extensive oil, mineral and timber holdings. Great Northern shareholders will receive one share of common and a half share of preferred for each share of GN stock held. The less than 3% of Burlington stock publicly held (GN and NP each own 48.59% of CB&Q stock) will be exchanged on a one for three-and-a-quarter shares basis when Burlington is merged into the GNP&BL.

Mr. Musenbrock also questioned the merged company's ability to secure enough cash to complete all improvements scheduled following the merger. Mr. Macfarlane declared emphatically that there would be no difficulty in getting the money and that the new company intended to proceed promptly with planned improvements.

Mr. Macfarlane declared at one point in his cross-examination that the railroad industry has been declining from a revenue standpoint and that "anything we can do to strengthen the industry should be looked on with favor by the Commission."

Hopes that the second round of hearings would be completed by Dec. 15 dimmed as they entered the third day with Mr. Macfarlane still on the stand and four intervenors waiting their chance to question him.

Following the Minneapolis hearings, Examiner Murphy will take to the road to hear supporting and opposing public witnesses in about 15 cities in the area served by the merging roads.

As proposed in the plan of consolidation, a two-step merger and a ten-year lease will combine GN and NP and their subsidiaries into the largest railroad in the United States.

As a first step, GN and NP and the GN-owned Pacific Coast would be merged into the Great Northern Pacific & Burlington Lines, Inc. Next, the Burlington would be merged into the GNP&BL and then the new company would lease the Spokane, Portland & Seattle, now owned equally by GN and NP, for a period of ten years.

Other subsidiary lines that would be affected by the merger are:

- Colorado and Southern, a Burlington subsidiary which would have the same relationship to the new company as it now has to the Burlington.
- Fort Worth & Denver, a C&S subsidiary.
- Oregon Trunk and Oregon Electric, which will come into the new company with the SP&S lease.
- Walla Walla Valley, now owned by NP. GNP&BL will operate it as a separate company.

Small Shipments Problem To Be Aired at ICC

A small group of chief traffic officers of eastern railroads, along with shipper representatives from concerns and associations particularly interested in the movement of package freight, will meet with the ICC's Division 2 in Washington Dec. 29 to discuss the small shipments problem.

The meeting was arranged in response to the urging of Division 2 that "railroads seek the cooperation of all interested parties in a conscientious effort to diagnose the problem and find a remedy." This suggestion came in Division 2's report and order in I&S Docket 7505, which upheld schedules proposed by several eastern roads for establishing charges for pickup and delivery service (RA, July 24, p. 19).

Economics Seen Key To Transport Progress

► **The Story at a Glance: New techniques in the transportation industry have been able to win acceptance because economic factors support their use. So North American Car Corp. President E.C.R. Lasher told the Transportation Research Forum last week. The shift of automobile transport from trucks back to rails is an example, General Lasher said, adding that it is taking place because economics dictate transporting automobiles by rail. Further growth of new techniques come about, General Lasher said, first, by "stimulating the economic research that in turn stimulates change and economic gains; second [by] evangelizing the industrial community about the logistics era."**

"Economic benefit is at the root of practically every marketing, distribution or technological innovation that has come down the pike in recent years," Maj. Gen. E.C.R. Lasher (Ret.), president of North American Car Corp. told the Transportation Research Forum of New York last week. "Furthermore," General Lasher added, "economic considerations not only are at the root, they are the prime motivation for such innovations."

Why are economic factors of particular importance now? "In this logistics age," General Lasher said, "the economist plays a leading part.

"Now, just what is this logistics age?" he continued. "First of all, it is an era that has just begun. While we call it logistics, you might tag it the era of distribution dynamics, or, perhaps, the age of distribution consciousness. Whatever name you give it, it simply means that we are in an age where distribution has become the single most important and challenging problem facing our industrial society."

As an example of the effect distribution in the logistics age is having on patterns of rail service, General Lasher cited automobile piggyback. "Perhaps the most dramatic development in the railroad industry in the last decade has been the sudden shift of automobile transport from trucks back to rails," General Lasher said. "The story, so far as our company is concerned, began in 1958 when we commissioned an independent research organization to explore the economic and engineering problems associated with automobile transport. The conclusions of this study were virtually unanimous: economics dictated transporting automobiles by rail. The potential savings in distribution costs that this mode held out were startling.

"A year ago, the magazine of the Teamsters Union reportedly placed the saving by using rail instead of trucks at $20 per automobile . . . or roughly $100 million to the automotive industry Knowledgeable folks in your line later have told me that $20 per automobile is a very conservative estimate.

"Nevertheless, getting back to our company's economic study of the problem, once it was completed we gave it wide distribution both in the automobile industry and the railroad industry. Now what has happened since? Well, our own company has more than 700 automobile rack cars in service with railroads. This is more rack cars than any individual railroad or any other private car line has in ownership, or service."

Supplying specialized demand is a function of the private car lines in the logistics age, General Lasher noted. "Our particular branch of the transportation industry was conceived, grew up, and is oriented today," he added, "to helping industry move its product to the ultimate consumer. . . . Each year, the requirements become more and more specialized as shippers demand greater automation in handling, increased protection to lading, and the most sterile environment possible for their products. In short, the private car line has a history of doing the specialized job, which is what distribution management, in final analysis must come down to."

A second function of private car lines in an age of logistics, General Lasher said, is "evangelizing the industrial community about the logistics era. This means emphasizing wherever people will listen that there is no longer just traffic, no longer just materials handling, no longer just warehousing, but now there is distribution, there is logistics, there is a bigger, broader concept that encompasses all of these things. The concept we espouse brings a systems approach to the business of getting the goods from where they are to where they must ultimately arrive.

"The third role of the private car line, as we envision it, is the promotion of technological progress in the logistics field. And that we have strived to do." The difficult job, General Lasher went on to say, "is to get men to embrace new ideas, to use them in their business. North American has several new ideas in railroad equipment," he added. "Some are on the drawing boards. Some are in the prototype stages. Some just exist in a brain cell, while some are running on the railroads today. In our search for new ideas, in Europe we came across a car that carried autos. We call it the Auto-Porter and, by American railroad standards, it is quite an item. It is long, low and articulated in two places. It is capable of hauling as many or more automobiles—compacts, regulars, king size—than any trilevel automobile rack car now in service. Yet, when fully loaded, its low silhouette permits it to pass under the bridges and tunnels that, to date, are quite restrictive for many railroads in the East. . . . Since last summer it has been in the hands of the Baltimore & Ohio Railroad, which has the option of raising its tunnels or finding a rack car low enough to get under them if it is to take advantage of the automobile traffic available. To date the B&O has been most happy with what it has seen.

"We have numerous other innovations up our sleeves right now. We have other cars that we feel have considerable merit and should be given a chance to prove their mettle in actual service on the railroads. When the timing is right, we will introduce them."

In a question and answer session following his talk, General Lasher mentioned as an example of new designs, a 46,500-gal. tank car for light gases. "This is on paper so far," he said. "We're not planning to make it. We don't know if there is a customer. But in a light commodity, it's possible."

North American also is in the process of putting together a new container system, General Lasher said, that will include an entirely different car, containers that would probably be owned or leased by shippers rather than by the transportation agency, and new devices for moving containers. "We'll not unveil it until all the details have been worked out," he said.

However, General Lasher said, North American is convinced that "containerization is the ultimate answer to most transportation situations. As we study our next move in this field, we are carefully following each new development in containerization. Recently we acquired the United States license to what we believe to be a new and economical means of manufacturing container structures. While we are not basically a manufacturing company, we acquired these rights from Steadman Industries of Canada because we firmly believe that we should promote containerization in every way possible. We do not want any development that holds promise to pass us by. And we will try in every way we know to make sure it does not pass our industry by."

N. L. Fieckenstine
PRR

Harold P Morgan
PRR

Oscar P. Benjamin
Reading

Clayton E. Ward
SP

Charles A. Mapp
Thrall

Fred H. Rahe
Worthington

PEOPLE IN THE NEWS

ATLANTIC COAST LINE.—**H. A. Helstrom,** general western freight agent, Chicago, appointed assistant freight traffic manager there. **R. C. Williams** appointed assistant general freight agent, Columbia, S. C., succeeding **E. G. Huston,** transferred to Cincinnati, Ohio. **C. D. Williams,** assistant general freight agent, St. Petersburg, Fla., appointed assistant general freight agent, Richmond, Va. **Theo Gallo, Jr., V. C. Dowell** and **R. M. Smith** appointed general agents at Tampa, Jacksonville and St. Petersburg, respectively.

BANGOR & AROOSTOOK.—**Carl R. Smith,** vice president, Bangor, Me., retired Nov. 30.

CANADIAN PACIFIC.—**W. E. Clampitt,** assistant general passenger agent, Montreal, promoted to general passenger agent, Winnipeg, Man., succeeding **George W. Cleland,** who retired Nov. 30. **George J. Fox,** district passenger agent, St. John, N.B., named assistant to the general passenger traffic manager, Montreal, succeeding **George Walsh,** who replaces Mr. Clampitt at Montreal.

CENTRAL OF GEORGIA.—**H. M. Williams, Jr.,** assistant general freight agent, Savannah, Ga., appointed assistant to general freight traffic manager there and his former position abolished.

CHESAPEAKE & OHIO.—**Carl S. Dennis,** fuel service engineer, Huntington, W. Va., appointed general fuel service engineer there, succeeding **T. H. Duffy,** retired. **A. D. Trainor** named coal traffic agent, Detroit. **Stanley A. Messier** appointed assistant general coal traffic agent, Richmond. **A. M. Childers** named general car inspector, Richmond.

CHICAGO & EASTERN ILLINOIS.—**W. S. Porter** appointed director, industrial development, succeeding **C. A. Ernst,** resigned to become head of the new industrial development department of the **Chicago South Shore & South Bend. Hubert L. Southerland** appointed general freight agent, and **James B. Stock** named industrial agent, both at Chicago Heights, Ill.

CHICAGO SOUTH SHORE & SOUTH BEND—**C. A. Ernst,** director of industrial development, **Chicago & Eastern Illinois,** has been named to head the new industrial development department of the CSS&SB.

KANSAS CITY SOUTHERN.—**W. E. Davis** named acting general counsel, Kansas City, Mo.

KANSAS CITY TERMINAL.—**W. R. Apple** appointed superintendent, Kansas City, Mo., succeeding **H. W. Mathews,** retired.

LOUISVILLE & NASHVILLE.—**George L. Watson** appointed to the newly created position of manager, car accounting.

R. L. Grimes, trainmaster, Birmingham, Ala., named assistant superintendent, Louisville, replacing **Emmett E. Sullivan,** retired. **Coy W. Holaway,** assistant to manager-sales and service, named division freight agent, Evansville, Ind., succeeding **T. R. Hook, Jr.,** who retired Dec. 1.

MILWAUKEE.—**Kenneth G. Hosfield,** assistant to freight traffic manager, sales and service, Chicago, appointed assistant to traffic vice president there, to replace **Wesley S. McKee,** named assistant traffic manager, Seattle. **Werner B. Fisher,** general freight agent, Seattle, appointed general commerce agent, Chicago. **Glenn M. Williamson,** assistant general freight agent, Seattle, succeeds Mr. Fisher. **L. Scott Hamilton,** assistant general freight agent, Chicago, retired Nov. 30.

R. C. Tiedje appointed auditor of passenger accounts, Chicago.

MISSOURI PACIFIC.—**H. Milton Prater** named manager merchandise sales, St. Louis, succeeding **Richard T. Williams,** promoted. Mr. Prater continues as vice president-traffic, Missouri Pacific Freight Transport Co.

NEW HAVEN.—**B. W. Thompson,** real estate agent, Boston, appointed general real estate agent, New Haven, succeeding **W. F. Whitcomb,** who retired Nov. 30. **W. R. Bottomley** succeeds Mr. Thompson. **R. P. Wilson** appointed general engineer—real estate, New Haven. **W. E. Harrison** named office manager—real estate, New Haven.

NEW YORK CENTRAL.—**I. J. Bader,** assistant freight sales manager, Cincinnati, Ohio, named assistant vice president—freight sales and service at the Central's newly established executive office in St. Louis, Mo. **John G. Patten,** assistant vice president—freight sales and service, Cincinnati, appointed assistant vice president sales—staff, New York. Mr. Patten will supervise the road's Flexi-Van operations, industry planning and foreign freight sales. He will also direct the sales department's personnel training and budget programs. **John E. Norwood,** freight sales manager, Cleveland, named assistant vice president—freight sales and service, Cincinnati, succeeding Mr. Patten.

PENNSYLVANIA.—**George C. Vaughan,** regional manager, Philadelphia region, transferred to the New York region, at New York, succeeding **N. L. Fleckenstine,** promoted to assistant to vice president—special services, Philadelphia. **Harold P. Morgan,** assistant regional manager, Lake region, Cleveland, promoted to regional manager, Southwestern region, Indianapolis. Mr. Morgan succeeds **Harold H. Vaughn,** transferred to Cincinnati as regional manager, Buckeye region, replacing **H. C. Kohout,** transferred to the Philadelphia region.

READING.—**Oscar P. Benjamin,** assistant to the president, Philadelphia, named assistant vice president—operations and maintenance department, effective Jan. 1, 1962. **Frederick J. May,** chairman of the Operating Committee, appointed assistant to the president, succeeding Mr. Benjamin. **John F. Gruber,** a member of the five-man Operating Committee, succeeds Mr. May as chairman.

ROCK ISLAND.—**Anthony P. DeMay,** assistant auditor of passenger traffic, appointed auditor passenger traffic, Chicago, to succeed **Peter V. Oehmen,** retired.

SANTA FE.—**L. S. Lawrence** has resumed as trainmaster-road foreman of engines, Oklahoma division, Chanute, Kans., replacing **M. W. Gibson** (RA, April 17, p. 49).

SEABOARD.—**W. M. Merimee,** commercial agent, Chicago, appointed general agent, Louisville, Ky., succeeding **A. A. Duitz,** who retired Nov. 30. **R. R. Boykin,** commercial agent, appointed division freight agent, Savannah, succeeding **E. H. Smart,** retired. **W. P. Zipperer,** commercial agent, named district freight agent, Savannah. **J. T. Mahin,** commercial agent, Cincinnati, Ohio, appointed general agent there, succeeding **C. E. Boisseau,** who retired Nov. 30. **R. A. Carlton,** agricultural traffic agent, West Palm Beach, Fla., and **C. M. Hazlehurst,** general industrial agent, New York, retired Nov. 30. **Raymond Carrigan, Jr.,** trainmaster, Hamlet, N. C., transferred to Jacksonville, Fla., succeeding **J. W. Thomas,** named assistant to director of personnel, Richmond. Mr. Thomas succeeds **D. C. Sheldon,** recently appointed assistant director of personnel.

W. A Thompson, Jr., assistant division engineer, Savannah, promoted to principal assistant division engineer, succeeding **A. C. Jones, Jr.,** named trainmaster, Hamlet. Mr. Jones succeeds Mr. Carrigan.

SOUTHERN PACIFIC.—**Clayton E. Ward,** assistant general traffic manager, with offices at New York and Chicago, appointed general traffic manager, Chicago, succeeding **Chester M. Biggs,** who retired Nov. 30. **Martin S. Vogel,** general agent, Chicago, named general western agent there, to replace **Paul R. Cedar,** retired. Mr. Vogel's successor is **W. J. Duever,** district freight agent, Chicago, who in turn is succeeded by **E. K. Sewall,** perishable freight agent, Chicago. **D. C. Hellyer,** general freight agent-rates, Chicago, promoted to assistant traffic manager-rates. **C. F. Smurr,** general agent, Detroit, advanced to assistant traffic manager there. **H. J. Betker,** chief, solicitation bureau, Chicago,

named assistant to the traffic manager at that point. **Everett L. Smith,** assistant general agent, promoted to general agent, Milwaukee.

D. Perazzo named executive assistant, San Francisco.

TORONTO, HAMILTON & BUFFALO.—F. W. Rolston appointed assistant to general manager, Hamilton, Ont., succeeding **A. E. Cook,** who retired Nov. 1.

WESTERN MARYLAND.—Walter C. Kresge, superintendent equipment, **Pittsburgh & West Virginia,** Pittsburgh, appointed superintendent car equipment, WM, Hagerstown.

WESTERN TRUNK LINE COMMITTEE.—Glenn W. Stokes appointed chairman, standing rate committee, to succeed **Axel S. Larson,** retired.

Supply Trade

Charles A. Mapp, assistant vice president of sales, **Thrall Car Manufacturing Co.,** Chicago Heights, Ill., has been named vice president.

Fred H. Rahe has been appointed sales representative in charge of transportation refrigeration, Air Conditioning Division, **Worthington Corp.** Mr. Rahe will be responsible for truck, railway piggyback and container refrigeration equipment sales in the Metropolitan northeast zone, which includes New York, New Jersey and Connecticut areas. Mr. Rahe formerly was contract negotiator for American-Hawaiian Steamship Co. in New York. Prior to that he was for 22 years with Trailmobile, Inc., of Cincinnati, Ohio, where he was manager of industrial fleet sales with responsibility for piggyback accounts with all eastern railroads and containerization accounts in the eastern zone.

Fairmont Railway Motors, Inc., Fairmont, Minn., has purchased all the capital stock of the **Northwestern Motor Co.,** Eau Claire, Wis., which will be operated as a wholly-owned subsidiary.

Buckeye Iron & Brass Works, Dayton, Ohio, has announced an agreement with the **Enterprise Railway Equipment Co.,** Chicago, whereby Enterprise will serve as U. S. representative for Buckeye's automatic diesel refueling system for railroads.

OBITUARY

Kenneth R. Cobb, 52, president, **Virginia Blue Ridge Railway,** died Nov. 27 in Lynchburg, Va., after a long illness.

Frank J. Fell, 83, who retired in 1943 as a vice president and director, **Pennsylvania,** died Nov. 29 in the Pottstown (Pa.) Hospital.

Abner H. Lillengren, retired purchasing agent, **Great Northern,** died Nov. 26 at St. Paul, Minn.

S. H. Reynolds, general agent, **Atlantic Coast Line,** Fort Myers, Fla., died Oct. 30.

Paulsen Spence, president, **Louisiana Eastern,** Baton Rouge, La., died Oct. 31 while on a trip to New York.

Norman E. Weiffenbach, 67, retired vice president of sales, **Wine Railway Appliance Co.,** died Nov. 29 at his home in Toledo, Ohio.

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You Ought To Know...

Journal lubricators were applied to 77.1% of the 2,090,090 interchange freight cars in service on July 1, 1961, according to figures just released by the AAR Mechanical Division. Almost 78% of privately owned cars had lubricators and 1,400,979—77%—of railroad owned cars were thus equipped.

Freight-car journal performance of 266,450 miles per hot box set off between terminals in July 1961 was the best for any July reported during the past 12 years during which such figures have been compiled by AAR Mechanical Division. The previous high was 141,946 in 1954, and the 1960 figure was 136,076. Over 1,612,000 cars having journal lubricators on July 1 experienced 2,323 hot boxes during July, while the 478,090 cars with loose waste had 7,140 hot boxes.

Radioactive isotopes enable Russian railroad snow plows to maintain up to 37-mph speeds over crossings and bridges where plow blades must be raised. To raise the blade automatically at the proper location, a radiation source cartridge is placed at the rail joint. A detector mounted on the plow blade detects the radiation and signals the lifting mechanism to raise the blade.

E. Grosvenor Plowman, vice president—traffic of U.S. Steel Corp., will receive the 1961 Seley Awards for Distinguished Service to Transportation at a luncheon in New York City Jan. 17, 1962. Transportation Association of America makes the awards for the Seley Foundation, Inc. The awards include a gold medal for the recipient, a $1,000 transportation scholarship for the university of his choice, and an additional $1,000 grant to the same institution.

River Lines, Inc., a San Francisco bulk-oil carrier, has asked the California PUC to restrain Southern Pacific Pipe Lines, Inc., from offering lower rates for delivering oil by pipeline between Bay Area refineries and Sacramento, Stockton and Colusa, Calif. River Lines said the SP subsidiary has offered to link customers to its pipeline for 8.5 cents a barrel, compared with barge-line charges of up to 15.1 cents. River Lines said SP's lower rates would "jeopardize" continued operation of water carriers on the Sacramento and San Joaquin Rivers.

Burlington has asked the Illinois Commerce Commission for an 8% increase in suburban fares to become effective March 1, 1962. W. F. Burke, general passenger traffic manager, said the cost of providing suburban service in 1960 and 1961 exceeded revenues by several hundred thousand dollars. The road's last increase was two years ago.

A new freight car identification system developed by IBM consists of electrical contacts (mounted on a post along the track) that brush against an identification unit mounted on the car's journal box lid. Recognition devices in the post respond to elements in the identification unit that represent the car's number.

A $63-million elevated monorail system proposed by Alweg Monorail Systems to serve Wilshire Blvd. and downtown Los Angeles has been rejected by a joint committee report of the city's Metropolitan Transit Authority. Objections to the monorail proposal were that it called for an elevated structure rather than a subway and that it included only 14 miles of LAMTA's 22.7-mile "backbone line" (RA, Aug. 21, p. 32).

New York terminal trucking in connection with the Pennsylvania's piggyback service will hereafter be exempt from ICC regulation. The Commission has modified boundaries of the New York commercial zone to bring PRR's Truc-Train terminal at Kearny, N.J., within the exempt area.

Automatic subway train is scheduled to go into experimental passenger operation Dec. 15 between Grand Central Terminal and Times Square in New York City, according to a Transit Authority spokesman.

A $1.5-million study of Cincinnati's mass transport needs is in the planning stage. City Manager C. A. Harrell says the study will take several years.

New York Central's Gardenville classification yard at Buffalo, N.Y., has been sold to Merritt, Chapman & Scott for conversion into an industrial park. This yard was replaced by Frontier Yard, an electronic retarder facility, in 1957.

New-found efficiencies "will merely prolong the life of the [railroad] industry a few more years . . . unless the regulatory climate under which the railroads are required to operate is changed," AWR President Clair M. Roddewig told a meeting of the Delta Nu Alpha Transportation Fraternity at Kansas City. Mr. Roddewig said the railroads need more business volume and should be permitted to establish competitive rates in order to attract it.

ACF Industries, Inc., and its wholly owned SHPX group of companies earned $1,948,000 in the second quarter of the current fiscal year (August, September, October), compared with combined earnings of $1,479,000 for the corresponding 1960 period.

The reorganization of the bankrupt Hudson & Manhattan has been approved by the ICC. The Commission decision provides for a new company, the Hudson Rapid Tubes Corp., to buy H&M railroad properties; acquisition by the reorganized company, under the name of the Hudson and Manhattan Corp., of control of Hudson Rapid Tubes through ownership of all capital stock, and a lease by Hudson Rapid Tubes on trackage and facilities in and under the Hudson Terminal buildings, Manhattan office property owned by the H&M.

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FREIGHT CARS ROLLING

by Lawrence W. Sagle

Here is the complete one-volume account of the freight car—what it is, what it carries, how it operates, the little-known details of record keeping, and the outlook for the future. Scores of photographs specially selected for this book illustrate the text matter.

A vast amount of interesting and informative detail is given in the section on reporting cars "off line," the "foreign car," the work of the car service department, routing, mileage, car repair, and car inspection. The manner in which freight shipments are made, the work of the freight agent, the function of the freight house, and the business of the freight forwarding company are also explained.

A separate section is devoted to operating problems, and covers the work of the train conductor, schedules, train orders, the function of the classification yard and the break-bulk station, moving fast freights over the rails, and similar subjects which give the reader an inside view of this aspect of American transportation.

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EMPLOYMENT OPPORTUNITIES SECTION

Railway Ave., 30 Church St., New York 7, N.Y.

Concessions To Unionists?

The unions are after the railroads for another round of inflationary wage increases, *plus* various kinds of guaranties of employment. Any considerable concessions to either demand will simply quicken the arrival of the day when many railroads will be unable to meet current expenses from their revenues; and, as a consequence, will either have to cease operation of a large part of their mileage, or sell out to the government.

Railroads, and railroad unions equally, are in need of bold leadership with the insight to foresee the inevitable result of continuance of present trends; and the courage to resist them to the utmost.

Railroads and their employees are not alone in their peril from inflationary trends. All American industry and its employees are skidding downhill on the same toboggan, with Comrade Nick Khrushchev and his cohorts already gathered, grinning and rubbing their hands in anticipation, at the finish line.

Governments in practically all the Western countries are at the mercy of popular majorities, just as they are in the United States. If a majority votes that 2 plus 2 equal 5, then the government has to try to give effect to that decree. It so happens, however, that Western Europe has recently learned the advantage of doing away with a multitude of high customs tariffs and limitations on immigration. The result has been a dramatic increase in the extension of mass production methods, and hence heightened production per employee, in European industry.

Thus, it has been possible for wages to rise in Europe without an equivalent increase in prices. So European producers are underselling American manufacturers—not only in international trade, but right here in the U.S.A. Leaders of America's unions either do not discern what is happening or are not courageous enough to admit it.

They are demanding increases in wages every year or two, just as if European competition did not exist. So steel and typewriters and textiles and electronic equipment and automobiles are pouring into the U.S.A. from overseas.

There are some American leaders ("conservative" as well as "liberal") who believe the U.S.A. should join the European Economic Union—that is, greatly reduce or eliminate customs duties on all imports from European countries. In the long run, such action might work out to the advantage of the free world. It would certainly be ruinous at the outset to the competitive position, in our own country, of American industry and its employees.

The leaders of railroad unions are in a difficult political position. As long as leaders of unions in the more prosperous industries demand, and get, inflationary wage increases year after year, the railway union leaders are obviously fearful of demagogic attacks on them among their members, unless they pursue the same ruinous course. But further inflationary increased wage costs (whether in hourly rates, employment guaranties or "fringe benefits") are much more immediately dangerous to railroads than to any other large industry, because so many railroads are already close to the poorhouse.

Railroads are further handicapped in holding their own under an unrealistic wage-increase policy, because the railroads' rivals are recipients of government aid and railroads are not. Wage increases in trucking or barging or air transportation are a great deal more than offset by huge increases in governmental handouts to these other agencies of transportation. Meantime, when railroad wage costs rise, railroads have no recourse but to try to collect inflationary cost increases from their customers. Such efforts have very little success, since subsidized transportation is right there to take away the tonnage the minute railroad charges go up.

EMPLOYEES HAVE A RIGHT TO KNOW

This paper inclines to the belief that leaders of railway unions, as well as some railway managements, tend to underestimate the ability of employees in the ranks to consider realistically the serious financial situation of the railroads, and to temper their exactions accordingly, if given the facts. Anyhow, there is little or no alternative to making the effort to explain the situation to them—because acceding, even in fractional part, to the current demands for wage and job-guaranty concessions, would put some major railroads into bankruptcy in a very few months.

Even worse than that (from the standpoint of long-run traffic and employment on railroads), such concessions would curtail improvement programs, even on relatively prosperous railroads. Such programs just must not be reduced—rather they should be greatly increased—if railroads are to retain and increase their traffic. And this necessity is something that any employee with an average quota of intelligence can be brought to understand.

The duty of people in positions of leadership is not fulfilled if they restrict themselves only to those projects that seem, in advance, certain of success. If that had been the prevailing philosophy back in 1776, there would never have been a U.S.A.

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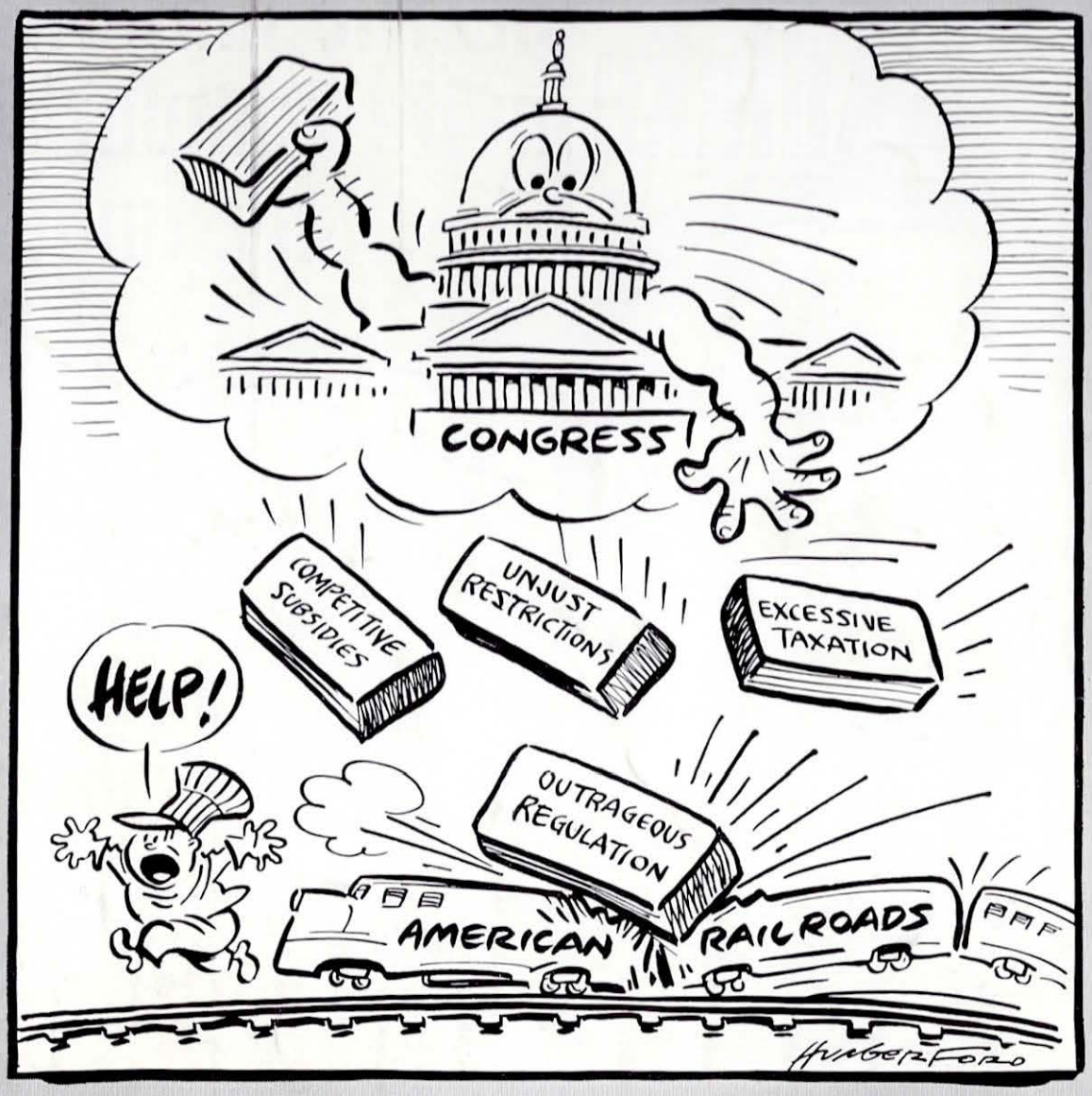

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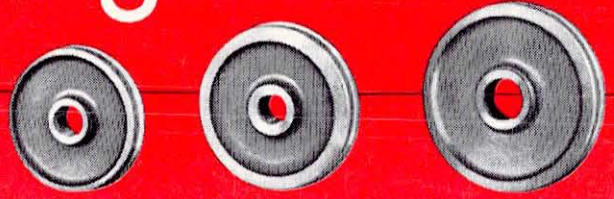

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